

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE COUNCIL**

**FIFTY-FOURTH PARLIAMENT**

**FIRST SESSION**

**10 May 2000**

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**Wednesday, 10 May 2000**

The **PRESIDENT** (Hon. B. A. Chamberlain) took the chair at 10.03 a.m. and read the prayer.

## JOINT SITTING OF PARLIAMENT

### Centenary of Federation

The **PRESIDENT** — Order! I advise that today's joint sitting in relation to next year's centenary of Federation activities to be held in the Legislative Assembly at 12.30 will be televised and the proceedings recorded. Four cameras will be used for that purpose. Camera testing will occur in the chamber from noon but there will be no transmission to the public until the commencement of the joint sitting.

In recognition of the historic nature of the joint sitting and in order to record the Parliament of Victoria's contribution to the centenary of federation the normal restrictions that limit filming exclusively to the member speaking have been lifted on this occasion. Permission has been given to film all members attending the joint sitting, irrespective of whether they are speaking, to record their presence for posterity.

The proceedings will be televised live to Parliament House Canberra and there will be a webcast live on the Internet. In Victoria the telecast will be carried on the Sofnet schools television service to in excess of 2000 schools and colleges. The Legislative Assembly bells will be rung for a short time at 12.29 to call the joint sitting. At that joint sitting I am expecting contributions from the Leader of the Government and the Leader of the Opposition in this place.

## PETITION

### City Link: government funding

Hon. C. A. **STRONG** (Higinbotham) presented a petition from certain citizens of Victoria requesting that the Parliament of Victoria consider viable alternatives to funding the Transurban City Link project which will not cause hardship or costs to Victorians (2956 signatures).

Laid on table.

## RURAL VICTORIA: GOVERNMENT POLICY

**Hon. W. R. BAXTER** (North Eastern) — I move:

That this house condemns the government for its contradictory policy of, on the one hand, publicly proclaiming a commitment to regional development, but on the other, deploying ministerial direction and action to undermine, delay, stymie and drive away job-generating investment especially in the high country.

One of the ironies of political life that seems to have become an increasingly regular feature over the past decade or so is how perceptions generated by governments or opposition parties and inculcated in the community are sometimes distinctly at variance with reality. I am sure all honourable members can think of a few examples where the perception implanted in the public mind about the activities of the former government were distinctly at odds with what it was endeavouring to achieve and, in fact, achieving for the good of the community.

Today I advance the example that this government, through the rhetoric of the Premier and the Minister for State and Regional Development in another place, Mr Brumby, is conveying the impression that it is serious about fostering development in regional and rural Victoria. The Minister for State and Regional Development has had some success in having that view implanted in the public mind. He has visited my electorate a number of times. As a local member I welcome visits to the electorate by ministers of whatever government, particularly those who hold city electorates. I like them to go beyond the tram tracks so they can see the reality of living and working in country Victoria.

During his visits the Minister for State and Regional Development has made a range of announcements about very welcome and valuable investment and development initiatives. In Wodonga he announced that Adacel, a high-tech company, was to establish works in Wodonga. That is very welcome indeed. The only trouble from the minister's point of view is that all the work was done by the previous government, and the Honourable Mark Birrell would know a fair about that. In Cobram the Minister for State and Regional Development announced a multimillion-dollar investment in the fresh fruit industry by Ausfresh. Again, that was a very welcome announcement. The only difficulty from the current minister's point of view is that again all the work was done by the former Minister for Rural Development, the former honourable member for Gisborne, Mr Tom Reynolds.

There are similar examples throughout my electorate. Heinz in Echuca is another example. The Honourable Jeanette Powell went to Echuca to hear the current minister announce 80 new jobs for Echuca. One would have thought this government had something to do with it. However, it had nothing to do with it at all. It was all the work of the former government, yet the current minister claimed the credit.

**Hon. T. C. Theophanous** interjected.

**Hon. W. R. BAXTER** — In political reality and in light of Mr Theophanous's scorn, I can understand that the minister of the day will claim credit for new initiatives regardless of whether he or she had anything to do with them. However, the genesis of today's motion is to point out that what looks good on the surface does not match the reality of what Labor is doing behind the scenes. I will set out several examples of how this government, through ministerial direction and administrative action, delays, stymies, undermines and drives investment away from country Victoria.

That is the case with any type of development on public land. Deeply ingrained in the Labor Party is an absolute hatred of the thought of any person deriving an income, benefit or living from using public land, regardless of regulations and restrictions. Labor is ideologically opposed to any body, organisation, company or individual having the ability to use the resources of the state if those resources happen to be in public ownership.

One of the ironies of the way the Westminster parliamentary system works is that many electors are under the mistaken belief that everything that happens in the state of Victoria through government action is the result of decisions made on the floor of this place. As all honourable members know that could not be so; otherwise they would be here 24 hours a day. Clearly government must have the capacity to administer and make decisions in accordance with the statutes and the regulations Parliament has approved. Many of the decisions people believe Parliament has considered in some detail are made by ministers, bureaucrats and officials. There is great capacity for actions to be taken within the government apparatus separate from Parliament, and if there is a will to put hurdles in the way those actions can stymie development.

Today a group of ideologues working within the ministerial offices of government are committed at every turn to putting barriers in the way of investment.

**Hon. D. McL. Davis** — Many have been there for a long time.

**Hon. W. R. BAXTER** — Many were there in the 1980s and look where they led the state! They are now exerting influence on the government decision-making process.

I turn to what could, but is not, happening in the high country because of the activities of the government. The house would be well aware of the potential importance of the high country of north-eastern Victoria and Gippsland to the economic wellbeing of the state. Thousands of jobs can be generated through development in that area including the skiing industry and many of the other activities that can take place, such as cattle grazing and the like.

Thousands of jobs are generated each year in ski resorts at Mount Hotham, Falls Creek, Mount Buller and Mount Buffalo. Not only are jobs directly created in the ski villages at lodges and restaurants but also in transport and the like. The skiing industry has tremendous potential to further expand to attract overseas visitors and bring people from other parts of Australia to north-eastern Victoria, despite the relatively insecure snow seasons the state tends to have. Regrettably the state has had three successive years of low snowfall. I hope this year will be a good year with plenty of rain to fill Lake Eildon.

The skiing industry has already attracted millions of dollars in investment and has the potential to attract millions more. It has been put at risk by the actions of the government, which has taken steps to discourage that investment at every turn.

I shall illustrate some proposals for the installation of additional chairlifts at Mount McKay near Falls Creek. Honourable members who have visited Falls Creek would acknowledge that it is a delightful ski resort, but that its excitement for skiers is somewhat limited. If it had a couple more challenging ski runs for the professional skier or the skier who is game to take on the steep slopes, Falls Creek would be more attractive.

Some \$120 million has already been invested in Falls Creek and Mount Hotham by a superannuation fund. The Labor Party often resists development on public land by so-called greedy developers as if somehow they are rip-off merchants making profits at the expense of the state or the public who will take their profits elsewhere.

The major investor in Falls Creek and Mount Hotham is a superannuation fund, which is largely investing its workers' funds. The employees have contributed money under the compulsory superannuation arrangements. Those funds are being invested by the

superannuation fund — the management company — in the skiing industry because it believes it is the way to obtain good returns for the benefit of workers.

Unfortunately the government has set out to undermine the investment and thereby reduce the returns to employees who rely on the returns for their retirements. The proposal for Mount McKay is the installation of additional chairlifts that will increase the skiable area at Falls Creek by some 140 per cent, an extraordinary increase. If it is given a fair go the company is prepared to invest in accordance with the rules and regulations, environment protection and the like. It believed that under the previous government it was being given a fair go. However, since the change of government a hurdle has been put in its way at every turn.

The previous government was approached by a company with a proposal to install the chairlifts. The then government considered the proposal, but it was no overnight decision. The company received a reply in November 1998 to inquiries, requests and proposals that had been put forward six months earlier in May 1998. I do not want subsequent speakers to run the line that the company was trying to rush through a proposal or was in cahoots with the then government to have the proposal implemented and under construction without proper inquiry. That is clearly not so because six months had elapsed while the department considered the ramifications of the proposal. The then minister, Mr Maclellan, wrote to the company in February 1999 stating:

I have decided that the proposed development does not require the preparation of an environment effects statement ...

I am satisfied that following the outcome of the initial consultation process led by my department, the statutory planning framework will ensure that the environmental assessment of the proposal will be robust, transparent and provide for adequate consultation.

...

The proposal would be placed on public exhibition for a period of two months.

...

I also require this consultative group to have an independent Chair.

**Hon. P. R. Hall** — Sounds perfectly reasonable.

**Hon. W. R. BAXTER** — Yes, it does. There can be no suggestion there was some cosy deal between the then minister and the company to slide a proposal through without adequate consultation and consideration.

When the minister formed the technical advisory group (TAG) he insisted it include a wide range of people

including representatives of the Victorian National Parks Association, scarcely a body well known for offering support to such proposals. It could be assured that the association's representative on the technical advisory group would be assiduous in trying to pick holes in the proposal — and that is exactly what that person did at every turn. The proposal received much scrutiny.

The technical advisory group was beavering away; its work was nearing completion. The applicant company had spent hundreds of thousands of dollars preparing its case and engaging consultants to answer questions raised by the TAG and put forward the merits of the proposal when suddenly, out of the blue, the company received a letter from the Minister for Planning, the Honourable John Thwaites. The letter was a real setback.

I remind the house of the comments of Mr Thwaites on becoming planning minister. He gave a general commitment that he would not revisit planning decisions of his predecessor, despite having expressed concern about one or two planning decisions taken in metropolitan Melbourne. As an incoming minister, he gave an undertaking that he would not revisit decisions that had been made. So far so good — until the applicant company received that letter out of the blue. It states:

I have decided that the proposed ski lift development at Mount McKay will require the preparation of an environment effects statement ... rather than the continuation of the technical advisory group.

The TAG had just about finished its work when the minister said, 'Forget all that. Go back to start. Commence again with an environment effects statement'.

In passing, I draw the attention of the house to the fascinating dates on the letter from the Minister for Planning. At the top of the letter is a typed date of 24 March 2000. Honourable members would know it is unusual to have a typed date on a ministerial letter; usually the date is rubber stamped. When holding the position of Minister for Roads and Ports Mr Craige and I were assiduous enough to date letters ourselves under our signatures. But the letter from the Minister for Planning has a typed date of 24 March 2000 on it. Oddly enough, underneath the date but upside down is a rubber-stamped date of 26 April 2000, a little more than a month later. The letter was received by the applicant company on 28 April. One would tend to think something strange were going on.

I also looked at the reference number at the top of the letter. One of the benefits of having been a minister is that you get to know about reference numbers. The reference number on that letter is not a reference number for the Department of Infrastructure; it is a reference number for the Department of Natural Resources and Environment. My contention is that the letter was not prepared in the office of the Minister for Planning but in the office of the Minister for Environment and Conservation, Ms Sherryl Garbutt. I suggest it was typed on a computer in one office and then sent to the office of Minister Thwaites dated 24 March. The letter then hung around that office for over a month until suddenly somebody decided something should be done about it. It was then printed on the notepaper for the Minister for Planning without anything else being changed. It was signed by the minister and some clerk who, without looking at anything, was stamping the dates on hundreds of letters the minister had signed. The clerk did not notice the incongruity of the dates or that the letter had been hanging around for over a month.

**Hon. T. C. Theophanous** — Are you complaining about the date of the letter being upside down?

**Hon. W. R. BAXTER** — I am not complaining about the lack of attention to detail, which Mr Theophanous must acknowledge, although if I were minister and letters with my signature were being sent out with the date upside down I would not be too pleased. I am a bit of a stickler for doing things properly. If something is worth doing, it is worth doing properly, but that is not the basis of my argument. The basis of my argument is that the letter had been hanging around the planning minister's office for over a month. That convinces me it was generated in the office of another minister and signed without due consideration being given to it by the planning minister or his department.

The letter came as a bolt out of the blue to the developers; they believe it is quite a setback. I am sure the setback is being driven by the antidevelopment people who inhabit the office of Minister Garbutt. I have come across them in a range of other situations, which I will not detail in the house this morning.

**Hon. E. G. Stoney** — Haven't we all!

**Hon. W. R. BAXTER** — As Mr Stoney says, haven't we all! It is depressing that the office of Minister Garbutt seems to be staffed by people with a strong antidevelopment view. That is costing the state dearly and will continue to do so.

My concern is that the environment effects statement (EES) will take at least two years. It will cause enormous additional cost to the applicant and to the other people who will need to be involved. It will require a great deal of the work that has already been done by the technical advisory group to be repeated. The developer may well walk away.

**Hon. P. R. Hall** — It is an enormous lost opportunity.

**Hon. W. R. BAXTER** — Indeed, Mr Hall. I understand a number of ski resort opportunities in New Zealand are currently on the market. I am very much afraid the developer might say it is simply not worth it to stay in Victoria. The developer might decide that if that is the sort of treatment it is to receive from the government why not invest abroad — say, in New Zealand or elsewhere. Again a tremendous opportunity for job creation in north-eastern Victoria could well be lost.

I move on to an ancillary issue arising from the proposal for ski lifts at Mount McKay. Honourable members who were members of this place prior to the last election would realise that a couple of years ago the Parliament passed an act attaching to the Falls Creek ski village a small parcel of land of 285 hectares. In city terms to people who live on quarter-acre blocks 285 hectares might seem a large slab of country, but in the mountains of north-eastern Victoria 285 hectares is a tiny patch of land.

Members of the house will recall that the land was attached to the Falls Creek ski village for a couple of reasons. The land was largely worked over during the construction of the hydro works for the Kiewa scheme in the 1950s. Clearly it was not a pristine alpine environment. The land was not compatible with the balance of the national park. More importantly, the land had been customarily used by the Falls Creek ski village and will be needed if the village is to continue to develop.

But, more especially, the part of the land abutting Rocky Valley Reservoir is absolutely essential if Falls Creek is to become an all-year-round resort. I believe the future of Victorian ski resorts lies in their being not just single-season winter resorts; their great growth for the future will be through year-round activities.

There are some magnificent opportunities for people to visit the high country in the spring, summer and autumn and enjoy marvellous bush walks, wildflowers and the like. Many people who live in large cities like Melbourne and want to get away from the polluted

atmosphere are becoming more and more aware of the very pleasant environment that some of the high country villages offer during the summer season. I believe the piece of land in question is absolutely essential to enable that sort of potential to be realised.

I understand it is the government's intention to reverse the decision made by Parliament a couple of years ago. I find pretty depressing the thought that the government is attempting to go back on a decision that was reached by this Parliament only a couple of years ago, after due consideration and debate in this place. It should certainly not propose to do it simply as a reversal without considering whether there might be some compromise that was worthy of examination.

Noting that the government probably had this intention in mind, the developer — who needs part of that 285 hectares if his Mount McKay ski lift proposal is to go ahead — tried to do his best to accommodate the Minister for Environment and Conservation, Ms Garbutt. He wrote to her as recently as 4 May, saying in part:

The possible realignment of the proposed lift meant that substantial parts of the area transferred to the resort were not required.

So he is saying, 'Yes, we can still go on with our development, we need a part of the land, but substantial parts are not required'. He later states:

The Minister for Planning's decision to require an EES reverses the decision of the previous Minister for Planning and Local Government and has created great uncertainty.

...

I am deeply concerned that the immediate transfer of the land may compromise the EES process ...

I agree entirely. If the government proceeds to reverse the decision previously made by Parliament the environment effects statement process will be made very difficult and may well be compromised. I invite the government to proceed with the proposed legislation until the EES, which it is now insisting upon, is complete. I believe it will be possible to reach an agreement that will satisfy the needs of all parties, especially the very small minority that has such a deep-seated view against any sort of development at all in the high country.

The developer, Mr Bassett, has had the same difficulty with Minister Garbutt's office as I have had — and which I raised in the house a couple of months ago — where 17 or 18 contacts about a deputation have received no response. I simply could not get an answer from the minister's office. That is what Mr Bassett is finding: he is unable to achieve a meeting with the

minister; telephone calls are never returned and faxes are ignored. It is another example of the government's stymieing a development or proposal in the high country and another example of Minister Garbutt's office being the culprit in this case. It seems that her office in particular is hell bent on causing delay and driving investment away.

Yet another example relates to the electricity cable to Mount Hotham, about which my colleague Mr Stoney will enlighten the house shortly. I had the pleasure a couple of years ago of opening the second electricity cable to the Falls Creek ski village, which gave that village the security of power. The proposal was to carry the cable on from Falls Creek to Mount Hotham to provide back-up power for Mount Hotham. The previous government did all the work, but upon coming to office Minister Garbutt has done nothing about it. Winter is approaching and Mount Hotham will be at risk.

**Hon. B. W. Bishop** — It is exactly the same with small town sewerage.

**Hon. W. R. BAXTER** — Again, with issues important to the people in Mr Bishop's electorate Minister Garbutt is putting on hold initiatives for regional development that were instigated by the previous government.

I refer the house to the mountain cattlemen issue. Honourable members will recall that Labor has a history of scaling back grazing in the high country. Honourable members who were in Parliament in the 1970s during the Land Conservation Council inquiries will remember the numerous inspections that were carried out and the debates that occurred at the time. They will also remember the Cain-Kirner years, when Labor set out to take cattle out of the high country.

Honourable members will recall that Mr Stoney, before he became a member of this house, led the debate in the community to protect this 100-year-old tradition that was so deeply ingrained in the lives of most Victorians who wanted to maintain the concept of grazing in the high country, not only because of tradition but because of the magnificent stock produced there. A high-quality gene pool was maintained through breeding in the high country which benefited the beef industry throughout Australia, not just Victoria. That was because a unique product was provided — a gene pool that was being protected in that high country environment. Yet Labor took no notice of that whatsoever. It set out to undermine and scale back grazing — and it did. It pushed many of the grazing families out of the mountains, much to their financial and social detriment.

**Hon. P. R. Hall** — They probably have not stopped.

**Hon. W. R. BAXTER** — As Mr Hall says, they are still at it. We saw the example of the bushfire in the Caledonian area a couple of years ago, in which case Labor took every action to stop the cattlemen going back. I only hope Labor will see sense and allow the cattlemen back into that region for the next summer season.

I have a deep fear about the renewal of licences for high country grazing if Labor is still in power when those renewals come up. Fortunately, seven-year leases were renewed last year under the previous government. I am confident that this is a one-term Labor government, and that next time the licences are due for renewal a conservative government will be in power. But if it is not, I have grave concerns about those licences being renewed if the people who inhabit Minister Garbutt's office are still reigning supreme in government, which they seem to be doing at the moment.

The plight of the mountain cattlemen has become an issue in the Benalla by-election. It is not surprising, bearing in mind that the Benalla electorate includes much of the high country and that many of the grazing families are residents of the Benalla electorate. I refer the house to yesterday's *Albury Border Mail* where the Mountain Cattlemen's Association of Victoria has raised the issue in the context of the by-election campaign. The article states in part:

The cattlemen have canvassed the by-election candidates on their support for seasonal cattle grazing in the Alpine National Park.

According to the association's secretary Mrs Sue Silvers, the Labor government had 'failed the test of supporting rural people' by not backing grazing in the park.

Mrs Silvers said Labor's candidate, Ms Denise Allen, was failing if she could not get the government to support her rural constituency.

...

Mrs Silvers said only the National Party had supported the association's position —

and, by definition, the Liberal Party as well —

while none of the Independents had replied to the association's questions.

One must bear in mind that there is no Liberal Party candidate for Benalla, but I am confident that if there were that person would also support that position.

Clearly, the Labor candidate in the Benalla by-election has been going around, as much as she can, saying what she thinks people want to hear, but she is clearly under

instructions that she has to tell the truth about grazing in the high country — that Labor wants the cattle out of the high country. That has become very clear.

It is yet another example of Labor preaching on the one hand that it is in favour of rural and regional development but on the other hand undermining such proposals. It again reflects the abhorrence some people in the Labor Party have of commercial development or making a living from public land.

Last week some honourable members attended a well organised display by the Public Land Council of Victoria in the Legislative Council committee room.

**Hon. B. W. Bishop** — Excellent.

**Hon. W. R. BAXTER** — Yes, Mr Bishop, an excellent display. I commend the persons who mounted the display. I often go to displays or events in the Legislative Council committee room and usually get a sandwich and a piece of paper. That evening we got some really worthwhile information. I know Mr Hall intends to refer as an example to what beekeepers put to him and to me and others. They said they are afraid this government is going to deny them access to public land for keeping their hives. Where is it going to end, if not even beekeepers can earn a living from public land in this state!

My reason for moving this motion today is that despite the rhetoric of the Premier and some of his senior ministers confidence is being undermined in country Victoria. People are seeing through the rhetoric, because when it comes down to tin tacks and to actually putting up a proposal to do something, do you get the support of the government? No, you don't. Every hurdle is put in your way to delay and cost you money. In many cases investors will be driven elsewhere. People will say it is like being back in the Cain and Kirner years — 'You can't make a go of it in Victoria. The government doesn't want to know you' — so investors should go somewhere else.

To me, development in the high country has an extraordinary multiplier effect. For example, towns like Bright, Myrtleford and Mansfield, in the Benalla electorate, are wonderful towns that are enjoying a financial boom because of activities in the high country. In the past 25 years there have been opportunities in Bright, Myrtleford and Mansfield to develop tourism in the ski industry or to holiday or retire, and those towns have benefited immensely.

When the Leader of the National Party, Peter Ryan in another place, and I were in Myrtleford last Friday we met a group called Avanti — a group of local people

who have come together to capitalise on the tremendous potential of the Ovens Valley and Myrtleford because of development in the high country. That group is fearful that the good work it is beginning to get up and running will be undermined and thwarted by government action, often behind the scenes, to put all sorts of barriers in the way of potential investors.

I simply want to put on record today that I believe the government, if it is serious about rural development, has to actually make sure that its delivery in some way matches its rhetoric.

Of course we all want to protect the environment — we have to live in it. Sometimes I think that given this government's view people in some of our country locations should be classified as the endangered species because the government is making it difficult to live and work in those areas. Country people want to live in harmony with their environment.

**Hon. P. R. Hall** — They are the caretakers.

**Hon. W. R. BAXTER** — Indeed. They want to protect the environment and ensure that it is looked after but they also need to live in it in a commonsense and practical way. If Labor had its way, more and more people would be retreating to the cities and we would leave the country as some sort of vacant museum. That is no good for anyone; it will not protect the environment and it will not build a strong economy for this state and nation. I call upon the government to take off its ideological blinkers and realise the potential for proper sustainable development in our high country.

**Honourable Members** — Hear, hear!

**Hon. G. W. JENNINGS** (Melbourne) — The opportunity afforded to me on Wednesdays to contribute to the debate on matters listed under general business gives me a chance to outline the parameters of a number of the government's key policies on the particular field of public endeavour that the opposition has chosen to raise as a matter of public importance.

On this occasion I take the opportunity to lay before the house the general economic framework that the government is applying to development in Victoria. I will then specifically relate that framework to the issues in the high country. I will deal with the broad economic parameters and the government's intention to support economic activity throughout the state and identify specific initiatives and programs the government has introduced to support regional development across the state, in particular in the high country.

I begin by dissecting the wording of the motion before the house. In this instance I home in on the word 'stymie', which is an interesting word to include in the motion and one that Mr Baxter used on a number of occasions during his contribution. It is not only interesting but also something of an old-fashioned word.

*Honourable members interjecting.*

**Hon. G. W. JENNINGS** — There is nothing necessarily wrong with being old-fashioned — in fact, the Parliament and the people of Victoria would do well to cherish and nurture many old-fashioned values. Fashion is a transitory matter and the underpinning nature of values is the important concept. However, 'stymie' is a quirky word that is not used often. Being quirky about an issue is also not necessarily wrong.

In its original meaning the word 'stymie' means a spoiling intent or effect, and that is my concern about the context of today's debate. If the opposition uses this opportunity to indicate that it hankers after old-fashioned, quirky ideas but is actually spoiling the progressive program of the Victorian government, that is not an effective use of the Parliament's time. It is not making the most of its potential contribution to encouraging the government to address, in an appropriate fashion, the legitimate concerns that underpin the regional development obligation it is raising in this motion.

During the debate I encourage honourable members opposite to point out to the government appropriate responses to public policy issues. However, they should not attempt to stymie the legitimate intention of the government to reconcile sometimes competing demands of development and environmental concerns in the way outlined to the house by Mr Baxter, who said that an analysis of public policy of the Bracks government indicates it is ideologically driven. His comment ignores a series of legislative, technical and proper administrative practices that the government is obliged to bring to development issues in all parts of Victoria, let alone those that occur on public land.

As a member of government it is my task today to put on the public record that the government is obliged to maintain the integrity and sustainability of public land. The government will at all times support the opportunities as outlined by Mr Baxter in his contribution and by Mr Hall by interjection. The government is a caretaker of the land. It is a responsibility and obligation that all Victorian citizens should share. The indigenous people of Australia have a strong attachment to the land; they regard themselves as

the custodians of the land — a value system we would do well to adopt in our practices applying to public and private land and environmental matters generally.

The Bracks Labor government is living up to the commitment it made to the people of Victoria at the last election to support regional development and to ensure that the whole of the state grows by adopting and pursuing industry development support programs and the framework of industry development. I am pleased that the budget estimates predict ongoing healthy growth rates of 3.5 per cent for the next fiscal period. It is true that growth has dropped and that the government anticipates a slight downturn in economic activity, but the general parameters are positive. The figures underpinned by the state and federal budgets demonstrate healthy growth figures for the next financial year.

The Australian Bureau of Statistics figures indicate that employment in non-metropolitan Melbourne increased by 3.7 per cent last financial year.

**Hon. E. G. Stoney** interjected.

**Hon. G. W. JENNINGS** — Mr Stoney asks whether the government is taking credit for that. I would not offend the house by suggesting that it does, but I report to the house the positive growth in employment throughout rural and regional Victoria — and the government gives a clear commitment to enhance that trend.

Export markets, particularly commodities, manufactured goods and services, have grown by 8 per cent. So there is demonstrable export growth that the Bracks government will ensure continues into the future.

The government will ensure that regional development infrastructure is supported throughout the state. During the last sessional period the house debated the operation of the Regional Infrastructure Development Fund. Despite what funds may be available to various bodies throughout Victoria, the key underpinning of the program is that approximately \$170 million is dedicated from a specific fund for the next three years. In addition, the government, through the Department of State and Regional Development, is developing an industry support program to enhance economic activity throughout the state. Since September last year projects valued at \$630 million have added more than 3000 jobs and \$289 million of new annual exports. A number of regional companies have been supported by the program, including Adacel, a software development

company in Wodonga, AAPT in Bendigo, and Ausfresh in Cobram.

**Hon. W. R. Baxter** interjected.

**Hon. G. W. JENNINGS** — I am glad Mr Baxter acknowledges the undertakings delivered by the government.

**Hon. W. R. Baxter** — By the previous government.

**Hon. G. W. JENNINGS** — Perhaps by the previous government; but Mr Baxter says this government is deserting rural Victoria. The evidence clearly indicates that has not occurred. Developments at Heinz Wattie in Echuca, Murray Goulburn in Rochester and Bruck textile mills in Wangaratta are a clear indication of the support that the government has for regional Victoria and the fact that undertakings previously given are underpinning regional and industry development in rural Victoria.

The budget introduced by the Premier and Treasurer last week is yet to be debated in this place, but it clearly indicates a strong commitment for development across the whole of the state. I do not want to pre-empt the budget debate, but I will give a brief outline or snapshot of it.

As I have said, the budget commits \$170 million over three years for the Regional Infrastructure Development Fund, of which \$50 million will be allocated this year. It also includes a \$60-million boost for rural health, including \$11.4 million for regional ambulance improvements; \$120 million over three years to fix regional road accident black spots and \$80 million for high-speed rail upgrades.

Other initiatives include a \$26-million school building program specifically intended for rural schools in 2000–01; \$7.5 million over three years for specialist teachers, to be shared between rural primary schools with fewer than 100 students; \$8 million for aged care in regional areas; a new \$8.1-million program for local government and regional development bodies to support economic development projects and job growth in regional Victoria; and \$35 million for the Living Regions Living Suburbs Support Fund to promote projects for the renewal of economic and social opportunities in rural, regional and outer metropolitan communities, including \$2 million to promote regional tourism and major events.

The budget also contains a \$6.6-million boost to the Country Fire Authority over four years; \$3 million for a pilot program to be conducted in 10 small rural communities to build skills and capacities from the

ground up and help communities adapt to change; and \$7 million for the Naturally Victorian marketing initiative to boost Victorian agricultural exports.

That snapshot of the budget demonstrates the breadth of the new initiatives undertaken by the Bracks government to support rural communities by specifically targeting regional economic development, both in name and in intent. The opposition has stated on many occasions that the government's role in a mixed economy is to stay out of the way of private sector activity. The Bracks government's approach to supporting rural and regional communities, which can be seen in the way it has formulated its budget, is to promote economic development by providing the necessary infrastructure and establishing a supportive environment in which the private sector can create jobs and generate wealth.

A significant budget item that I did not include in that snapshot is the \$1 billion infrastructure reserve, which will create excellent opportunities for infrastructure development across the state. It is the government's intention to ensure that at every turn it grows the whole state and provides opportunities for all Victorian citizens to benefit from the developments that will take place.

To give credit where credit is due, the incoming government acknowledges the size of the surplus, which for reasons of its own the outgoing government did not do when it went to the Victorian people during the election. The current government will ensure that the budget surplus of the previous government will be used for the long-term benefit of all Victorian citizens.

Over the past six months the Bracks government has promoted economic activity in the high country through a number of the industry support programs I have just mentioned. Grants have been made to various high country communities to support business initiatives, tourist activities and community building projects in Bright, Alexandra, Eskdale, Whitfield, Thornton, Tallangatta and Myrtleford.

A suite of projects has been undertaken during the past six months to support growth in tourism, which Mr Baxter has identified as being a major generator of economic activity in those important regional towns. For example, the Bracks government has committed funds to improve tourist amenities in Tallangatta through the development of a new entrance to the town that will include stonework feature walls, fencing, signposts, bollards and street lighting to improve the local amenity.

The government has committed funds for a new community and visitor facility in Tolmie, which will include seating, amenities for disabled people, and a visitor interpretive board to enable tourists to better appreciate the value of the Tolmie district. The government has funded the improvement of the Mansfield Botanic Park, which will include new amenities such as disabled toilets, picnic shelters and seating. Funds have been provided for the development of picnic areas, seating, car parking and landscaping at Corryong and for the upgrade of tourist amenities and the establishment of an interpretive facility at Bellbridge, including a shelter and landscaping. Molyullah has received funding to improve the community hall, which will incorporate disabled toilet facilities. At Myrree the recreational reserve facilities will be upgraded through the construction of a new shelter, barbeques and picnic tables as well as landscaping. Finally, Bright will receive funding to improve the facilities at the youth club hall.

The government intends to underpin the tourism activity that is critical to the high country by funding initiatives to enable local communities to attract tourists to their towns and keep them comfortable and happy during their stay.

In February my colleague the Minister for Transport in the other place made a significant commitment on behalf of the government when he announced a \$425 000 grant for work on the recreational rail trail in north-east Victoria. That will allow the completion of the 96-kilometre Ovens Valley stage of the trail, including a spur line from Everton to Beechworth, which will connect Bright to Wangaratta.

**Hon. G. R. Craige** — Continuing the good work we started.

**Hon. G. W. JENNINGS** — At no stage during my contribution have I ignored the significant contribution the previous government made to tourist activities in that part of Victoria. The Bracks government is simply saying that it is committed to enhancing recreational and tourist opportunities in the region. It has not in any way, shape or form diminished the undertaking given by the former government to support those important tourist activities — in fact, it has elevated it!

The vexed question of development in the alpine regions of Mount Buller and Mount McKay was a major part of Mr Baxter's contribution to the debate today. It demonstrates a divide in the approach of the government and the opposition on the conceptualisation of this important public policy matter. I contest most vigorously that the only layer of analysis and the only

concern of the Bracks government is based on ideology. The government's balanced and appropriate approach to this exercise considers the protection and ongoing consideration of environmental values, sustainable development and level of economic activity that occurs within strict guidelines and satisfies the approval process.

Interestingly, the development of Mount McKay was raised in the other place yesterday in a question from the Leader of the National Party to the Minister for Planning. In his response to the question the minister clearly outlined that he enters into a series of statutory obligations of which he has to take due consideration and he also has to consider the obligations imposed by the commonwealth. The minister clearly put on the record that he was aware of correspondence that had been generated by the federal Minister for the Environment and Heritage, Senator Robert Hill, who comes from the conservative side of politics so presumably he is not encumbered by this ideological blinker under which the government is said to labour. The federal minister wrote to the former Minister for Planning and Local Government about his concern to ensure there was adequate protection for the mountain pygmy possum within the framework of establishing this development. He sought the urgent advice of the outgoing minister to satisfy the statutory requirements and planning obligations under which the Victorian government was operating.

It was clear at the time that the technical panel established by the previous Minister for Planning and Local Government had no statutory underpinning. Its legislative basis would have been brought into question by the federal legislation which is to come into effect on 1 July, the Environment Protection and Biodiversity Conservation Act, which will require the environment effects statement (EES) requirements to be satisfied. The technical panel established by the previous minister did not provide the opportunity for public consultation and consideration and therefore would have fallen short of the federal legislation's requirement.

The approach adopted by the Bracks government was to bring into sync the environmental assessment and planning processes in Victoria which in the long run — and not pre-empting the outcome of those processes — if the development were approved, would provide the proper legislative and statutory requirements to underpin the development once it satisfied the EES undertaking and the planning approval process. Without those two processes being brought into line, the development would fall short of the requirement of Victorian planning processes and the obligations demanded by the federal legislation. Rather than this

being portrayed as an inappropriate use of administrative powers that have been ideologically driven, it is incumbent on honourable members to recognise that a planning minister has an obligation, not only under his own legislation but under state and federal responsibilities, to ensure that all the legislative tests are passed prior to approval being given.

The dovetailing of state and federal legislation is designed to ensure that whenever economic development takes place on public land appropriate safeguards are in place to ensure the ongoing sustainability of the natural environment. That is the undertaking the Bracks government brings to this exercise. It wants to ensure that takes place prior to any development occurring, which in no way diminishes the enthusiasm of the government to support and enhance tourist activities in this important Victorian region.

Since coming to power the Bracks government has committed itself to a number of specific measures to support the important tourist infrastructure in the region. In February my parliamentary colleague John Pandazopoulos, the Minister for Major Projects and Tourism, released an important piece of the jigsaw of Victoria's tourism industry in the promotion of the north-eastern region of Victoria which highlights the virtues, splendour and excitement of the region to attract potential tourists from within and outside Australia.

Those approaches have been supported by some of my ministerial colleagues. In December 1999 the Minister for the Arts announced a number of funding support programs that will apply to art galleries in the region. In February the Minister for Education announced the important initiative of a school in the alpine region. Those announcements demonstrate the breadth of government programs to support the development of the skills base of all regions for potential linkages in both transport and infrastructure in Victoria, specific programs that support the development of business orientation and investment strategies in those regions.

The government has introduced a comprehensive suite of measures including programs that are available to various communities. The local and regional development organisations will create the environment and infrastructure required for effective economic development throughout Victoria. During the debate I have outlined a series of initiatives the government has taken and undertakings that the previous government entered into that we have maintained and enhanced which does more than live up to the rhetoric of

supporting rural and regional development across the state.

The divide between the government and the opposition is clearly in the emphasis that the government brings to development. The Bracks government is concerned about inappropriate or unsustainable development and yet the opposition is portraying that as being ideologically blinkered. I do not believe it shows ideological blinkers. However, even if it did I would be proud to be part of a government that brings to the exercise the appropriate overlays of consideration of both the environment and sustainability.

I take very much to heart the proposition promoted in the debate by Mr Baxter and Mr Hall that the government is the caretaker of public land and is responsible for nurturing an economic environment that enables appropriate development. If the government falls short of that, it will deserve to be a one-term government, but I believe it will satisfy those obligations. It will demonstrate, through proper administration of public policies and the creation of support programs, effective growth throughout the entire Victorian economy. All Victorian citizens will benefit from the approach it brings to the exercise.

In conclusion, I am concerned about the nature of the sanction that is explicit in the motion. At worst, the sins to which it alludes are that the Labor government may enter into the area of public policy wearing ideological blinkers, or that the minister's office was sloppy in having a date upside down on a piece of correspondence. That is the basis for stating that the government stands condemned. It is a heavy sanction for the sins that have been brought before the house.

I therefore call on the opposition to think about the way parliamentary debate can be used constructively. I intend wherever possible to take seriously the advice or opinion of the opposition in debates; nevertheless the sanction of standing condemned is somewhat over the top. Had a serious misdemeanour in administration occurred, government members would say the motion should call for the government to be hung, drawn and quartered.

However, that is not where we want to take the debate. It is very clear that the government can in no way take seriously that it should stand condemned for the crimes brought before the house. Rather, this is an appropriate opportunity for the opposition to reflect on the proper standards of public administration and the proper analysis that should be brought to bear in dealing with public policy matters on the appropriate use of public land.

I oppose the motion and call on the opposition to reflect on the way government business or general business may be used in the future.

**Hon. P. R. HALL** (Gippsland) — It gives me great pleasure to contribute to the debate and give my strong support to the motion moved by the Honourable Bill Baxter. I start by suggesting that members of the government — particularly the Honourable Gavin Jennings whose contribution was appreciated — might want to reflect on what regional economic development is. That is a question all honourable members ask themselves from time to time.

As the Honourable Gavin Jennings asked when he gave a snapshot of the state budget, is it purely the provision of roads, health services, schools, rail networks or improved aged care service? Is that wholly and solely what regional development is? I say it is not. It is helpful infrastructure and support, agreed; but I claim that economic development in regional areas relies largely on the use of the natural resources in each region. It is the use of those natural resources that generates all development in Victorian regional areas.

The largest of those natural resources is the land mass of country Victoria. For generations it has been used in large part for agricultural pursuits and has always been the backbone of regional areas. Certain parts of country Victoria have natural resources and assets they have used to their advantage. In the Latrobe Valley in my province, for example, the natural resource is coal reserves. Consequently the development of that region has relied greatly on the use of that resource. Other parts of regional Victoria have timber resources and their development has relied in part on the use of timber. Those who live on the Victorian coast rely on the natural resources provided by the sea and the river mouths to provide sustainability for their local economies. Other parts of Victoria rely on mining to ensure their economic viability.

I challenge the Honourable Gavin Jennings and other members of the government to think more broadly about regional development than just the provision of infrastructure such as roads and schools. After all, there is no use sealing a road to Mount McKay if the mountain has no ski development. Those things are add-ons, however. First of all the government should develop the natural resources in each region, which is why the motion was moved. The new Labor government has promoted its commitment to regional development in Victoria by espousing things such as regional development funds. We on this side of the house claim that it is no good espousing the principles of providing basic infrastructure if people in regional

and country Victoria are not allowed to use natural resources in a balanced and sustainable way. My colleague the Honourable Bill Baxter has argued just that. Where the land mass was appropriate for skiing he argued for that use and the proper process was gone through. It is a balanced use of the available resource.

I will concentrate largely on what one might classify as environmental issues, particularly the use of public land. As the Honourable Gavin Jennings concluded, the real issue seems to be striking the right balance between consideration of environmental needs and the use of natural resources. I think he is correct in saying the house is debating whether the current government has the balance right or whether the previous government had it right.

**Hon. W. R. Baxter** — It is a pity he did not stay to listen to your treatise.

**Hon. P. R. HALL** — It is a pity, but we will make sure he reads it later. I will talk about the use of natural resources, particularly when that occurs on public lands.

I am not for one moment advocating that environmental needs should be ignored. The National and Liberal parties have never argued that way. I am proud to say that many members of the National Party have a proud record on the environment, particularly those who have actively participated on environmental issues, such as the formation of Landcare groups and catchment management authorities. Those who live in country Victoria care for the region in which they live and the resources they use. Their record in ensuring the sustainability of the resources and the area in which they live is a fine one. The government should think more broadly about regional economic development and the use of resources rather than the provision of roads, bridges, schools and hospitals.

The matters I wish to canvass relate to deer hunting, alpine grazing, fishing, some of the current inquiries being undertaken by the Environment Conservation Council and regional forest agreements. Each involves the use of a natural resource or activity on public land. Those activities are the backbone of economic development in regional Victoria

I turn firstly to deer hunting. Victoria has 10 000 licensed deer hunters. Their presence and activities in many parts of country Victoria are important. They play an important economic role in local towns by purchasing equipment and so on and thus contributing to the local economies.

I was concerned about a document published by the Department of Natural Resources and Environment in December last year entitled 'Discussion paper on deer hunting in Victoria'. It sought responses by 31 March 2000. I presume the consultation period has now closed and a government response will be forthcoming. Some of the discussion paper's recommendations were good. I have no difficulty supporting those relating to education and improving facilities for all users of public land including deer hunters, walkers or four-wheel drivers. Another of the recommendations that will be helpful is the publication of precise mapped areas so that people know exactly the boundaries for deer hunting, walking trails and the like.

I support the recommendations about educating deer hunters and the general public about that form of recreation. However, I strongly reject the proposed restrictions on hunting sambar deer. One recommendation was for a closed season on sambar deer from 1 December to the second Friday after Easter Sunday each year. That would limit the season by one-third. Deer hunting in national parks during that period is already banned, but this recommendation concerns general state forest areas. I do not see a need for that restriction. There is no real history of conflict between deer hunters and other recreational users.

The history of hunting in Victoria reveals four deaths, three of which were hunters who shot themselves in firearm accidents. Unfortunately, some time ago a member of the public was killed by an errant shot from a deer hunter. That was quickly addressed by suggesting revised boundaries in the area. The discussion paper suggests that the reason for having a closed season is a safety issue and one of conflicting use by hunters and others in those areas of public land. The record of hunting in Victoria is remarkable when one considers that out of 10 000 participants so few accidents have occurred. That record would compare well with any other form of recreation.

There is no ground for restricting the deer season in some parts of Victoria by one third. It will have an economic impact in particular on the north-east and eastern regions of Victoria where deer hunting takes place. Although that economic impact may not be strong all those influences add up.

The motion refers to government administrative action that may impede economic development in regional Victoria. The deer hunting issue is but one small example in response to Mr Jennings's invitation to suggest an appropriate response. Deer hunting is a public issue. I have a copy of the discussion paper and my response to Mr Jennings and the government is that

a restriction on hunting will impact in a small economic way in country areas. There are no good grounds for restricting the hunting season.

The next issue to which I shall refer is alpine grazing. Mr Baxter commented on the Mountain Cattlemen's Association and its long and proud history associated with grazing in the high country. He also paid tribute to Mr Stoney, who has been integral in securing rights for the mountain cattlemen over a long period. I add my tribute to Mr Stoney in that respect.

As Mr Baxter said, the government's policy is to phase out all cattle grazing in alpine national parks. I should be happy to receive a ministerial response today to clarify that position. The Mountain Cattlemen's Association believes that is the intent of the government. Currently the cattlemen have seven-year grazing licences that are due for renewal in 2005. If the government is still in office at that time the crunch will come. Perhaps earlier indicators will be forthcoming before then. One in which I was directly involved last year was the effort by licence-holders to return stock to the area burnt by the Caledonia fire in January 1998.

Last year I convened two meetings with Parks Victoria and members of the Mountain Cattlemen's Association who had grazing licences in that area. I firmly believe that had the government not changed after the September election those graziers would have been able to return cattle to those areas this past summer. The new government prohibited their return. That is disappointing. It is indicative of the government's policy to phase out alpine grazing.

Another indication that alpine grazing will be phased out was brought to my attention recently by a constituent, Mr Andrew Kee, who has formed the Friends of Wongungarra Trust. They have grazing licences for areas of state forest and they are seeking to transfer a grazing licence from Mr G. Spaul to the trust.

The transfer of a grazing licence must be assessed by the department. The application goes before the Alpine Advisory Committee and then both that committee and Parks Victoria will make a recommendation. The minister will have two recommendations to consider before making her decision.

The application will test the water on how serious the new Labor government is about supporting alpine grazing or whether it will support it at all. Does it wish to phase it out? There is no reason for the licensed area not to continue to be grazed. It contains large areas of river flats and has been grazed for over 100 years. Only

a transfer of licence is sought. If granted, a continuous grazing area will extend from one state forest across to an alpine national park and another state forest. The licence should be transferred for good reason.

I await the result with anticipation. Within a month it should be known whether the minister has agreed to the transfer of that licence. If not agreed to, that will give a clear indication that the Labor government intends to phase out alpine grazing. That would have a big economic impact on people living in rural areas, particularly the north-east and eastern part of the state.

The Honourable Bill Baxter outlined the importance of the continuation of mountain grazing from an economic and genetic point of view. It will be known probably within a month how the government will approach the issue. If it approaches it in a negative way and decides to phase out alpine grazing, that will have a significant impact on regional Victoria.

Next I turn to fishing. By definition a river, stream or part of the ocean cannot be owned in Victoria. Consequently the utilisation of natural fish resources is dependent upon one's ability to access public land — public waters might be the right term in this instance. The fishing industry has an enormous economic impact on coastal Victorian towns. A large part of Victoria's coast is in my province of Gippsland.

I will give two quick examples of administrative decisions the government can take to assist or impede economic development. I raised one example just last week with the Minister for Energy and Resources, who is responsible for fisheries. The minister is currently considering the possibility of the closure of the banded morwong fishery operated by a couple of fishermen out of Lakes Entrance. My constituent Mr Tony Kazakas has informed me he has been involved in the fishing of banded morwong for three or four years. He took out a second mortgage on his house to buy a licence to access the fishery. If the minister accepts the advice of the department and closes the fishery for 12 months my constituent will suffer a great economic loss. It will not be easy for him to transfer his operations to another fishery as he has specialised equipment for that type of fish. I mentioned that he catches and sells the live fish at the Melbourne markets. If he is forced to cease fishing that species for 12 months he faces serious financial difficulties and may run the risk of losing his house.

I try to take a balanced approach in such matters. I suggested when I raised the matter in the house that it does not have to be all or nothing. Some research could be conducted on the sustainability of the fishery without

its being closed completely. I await with interest the minister's resolution. Once again that is an example of an administrative action the government can take that will either develop and support economic prosperity in our country towns or negatively impact on that prosperity.

I mention another such example — that is, the Victorian eel fishery. Last week my constituents Sharon and Ron Elton of Stratford brought to my attention a matter concerning their company, East Coast Eels (Aust.) Pty Ltd. They pointed out that they were actively involved in the establishment of the eel fishery management plan in 1995. Under that plan Crown waters were divided into two categories: one being unallocated waters and open to all licence holders and the other being allocated Crown waters for which licence holders could apply. At the discretion of the department, each fisherman was allocated an exclusive or an arranged shared access to a specific water. That was undertaken as a means of ensuring the proper and sustainable management of the eel fishery in Victoria.

The plan was agreed to in 1995, and all research to date has shown that the eel fishery is sustainable under that fishery management plan. Mr and Mrs Elton have informed me that they have taken less than they are able to by licence to ensure that eel numbers in the specific waters to which their licence has been allocated are sustainable. They have made a deliberate, personal sacrifice to ensure their livelihood is protected and ongoing.

An application has been made to the Fisheries Licensing Appeals Tribunal challenging the decision to specifically allocate waters to license holders. If that were agreed to, it would be a free-for-all: no responsibility would be attached to particular licences, and it is likely the eel fishery management plan would be thrown into chaos. That would be of great detriment to my constituents, Mr and Mrs Elton. They would both suffer financially but, more importantly in the long term, it would impact on everyone involved in the industry. If it is a free-for-all management plans may as well be forgotten.

I raise that issue because the application is currently before the Fisheries Licensing Appeals Tribunal. Once again there is a role for government. It should step in and make decisive decisions. If the use of Victoria's resources is to be sustainable, the government has a responsibility to do what it can, in this case ensuring the eel fishery management plan is kept in place. If nothing is done the impact on the fishery will be significant. If Mr and Mrs Elton and others consequently go out of business, the impact on the towns in which they live

will also be significant. Those two examples illustrate how the administrative actions of the government can help or impede economic activity.

I am interested in a couple of the inquiries the Environment Conservation Council (ECC) is undertaking, one being the marine, coastal and estuarine investigation and the other being the box-ironbark forests and woodlands investigation, covering an area in central Victoria. A draft report into the marine, coastal and estuarine investigation has been published by the Environment Conservation Council. A final report is due to be received by the minister by 30 June this year.

Again, the government's response will be critical to the economic viability of many of our coastal towns. The Environment Conservation Council draft report refers to the establishment of new bodies in Victoria, called marine national parks. If those marine national parks are established, no recreational or commercial fishing will be allowed in those areas. I refer to figures from the ECC draft report and industry figures that I obtained from Seafood Industry Victoria to show what sort of economic impact that proposal may have on some of our coastal communities.

The draft report proposes the establishment of seven marine national parks or areas of special significance in which fishing would no longer be allowed. The commercial impact on the abalone industry if it were excluded from these seven areas would be a reduction of \$7.6 million in landed catch. The draft report quotes a figure of only \$2.2 million but the industry estimates the cost of the beached abalone catch to be \$7.6 million. That is significant in western Victoria and in the central and eastern zones of the abalone industry. It represents in the order of a 20 per cent reduction in resource availability in the eastern zone. Abalone is not a resource that can be caught as well outside the proposed marine parks. The catch effort cannot be translated because it does not exist to the same extent in other areas.

The ECC draft report predicts the effect on the rock lobster fishing area to be about \$500 000 in reduced catch. However, the industry claims that figure will be \$1.95 million, almost four times as much as is stated in the ECC report.

Those figures are for commercial fishing. If the government were to accept the recommendations of the ECC to establish marine parks and ban all commercial fishing efforts in them, almost \$10 million in the beached price of landed product would be lost and the add-on cost of processing and the multiplier effect

would probably be four or five times that amount. It would devastate some of our coastal communities such as Apollo Bay and its local fishing cooperative. It has been suggested to me that if there were such a reduction in the abalone resource, the processors at Mallacoota in my electorate might need to transfer their processing operations to Melbourne and amalgamate with another organisation. The acceptance by the government of the recommendations would have a big impact on coastal towns.

The loss of recreational fishing would probably have just as big if not a bigger economic impact on those coastal communities. It is hard to estimate the value of recreational fishing to places such as Lakes Entrance, Apollo Bay and Warrnambool. Recreational fishing has an enormous impact and if areas are locked up and cannot be accessed by recreational fishers, the effects will be felt by all those communities. Those affected will be the people who sell equipment for recreational fishing, those who provide accommodation for recreational fishers and those who sell fuel to fishers.

When the ECC finally reports to government, I ask the government to consider the economic impact the proposed move will have on those country towns. The government should consider not only the environmental aspect of the proposal but also a fair balance between the economic impact of the recommendations and the need to protect our marine environment.

Again, in my submission to the inquiry by the Environment Conservation Council, I said we could achieve the environmental objectives that were given to the ECC by having multiple-use areas but smaller research areas. When considering the ECC report when it is released, I ask the government to have regard to the views which I am expressing today and which I expanded on in my personal submission to the inquiry. This is just another example of where an administrative decision by the government in response to the ECC can have an impact on regional development in Victoria.

**Hon. C. C. Broad** — The high country's expanding all the time. It's getting bigger and bigger!

**Hon. P. R. HALL** — The motion uses the words 'especially in the high country', but it is talking broadly about regional development.

I refer the house to another investigation being undertaken by the Environment Conservation Council into box ironbark forests and woodlands. I understand that a final report on the investigation is about to be made. As the Honourable Bill Baxter said last week, the Public Land Council held an excellent exhibition in the

Legislative Council meeting room for all members of Parliament to attend. I note the Honourable Candy Broad went along; it was great to see her there, meeting and talking to people. It was disappointing that a few of her parliamentary colleagues did not attend. Nevertheless, those that did had a valuable insight into the issues that confront members of the Public Land Council.

In attendance were cattlemen, miners, prospectors and fossickers, and representatives of the Chamber of Mines, the Victorian Apiarists Association, the timber industry, the seafood industry, the Four Wheel Drive Association and the Victorian Farmers Federation. It was a good roll-up and, as Mr Baxter said, the information exchanged between members of Parliament and members of the Public Land Council was most valuable. It certainly assisted me, even though the investigation into box ironbark forests and woodlands does not cover my electorate but concerns the central part of Victoria.

Concerns were expressed by the mining industry via the Prospectors and Miners Association of Victoria, by representatives of the timber industry and by apiarists. I shall address particularly the issues raised by the apiarists as an example of how an industry could be impacted if the government accepts the ECC's draft recommendations on this investigation.

I must admit that I did not know a great deal about the bee industry, but talking to the gentlemen at the exhibition was most enlightening — for example, the total Victorian honey and beeswax production is between \$7.5 million and \$9 million annually. Australia is the fourth-largest exporter of honey in the world after Argentina, China and Mexico, and Australian honeys are recognised all over the world for their quality and unique flavours.

The apiarists also spoke about the other important part of the apiculture industry, apart from the production of honey and beeswax. It provides pollination services for horticulture and broadacre seed crops. In fact, significant revenue is gained by horticultural apiarists through their provision of cross-pollination services to some horticultural industries. A handout given to me at the exhibition states:

Paid managed honey bee pollination services for the various crops requiring cross-pollination returned \$1.5 million a year. Almond pollination alone in the north west of the state requires 16 000 hives annually and returns \$560 000 to beekeepers for pollination. This is to produce an almond crop which is worth over \$30 million.

I must admit that I was not aware of the extent of the pollination service that apiarists provide to agriculture

across Victoria. The apiarists expressed concern about the ECC investigation into the box ironbark forests and woodlands. The handout contains the following information:

There are 1830 registered beekeepers in Victoria managing 110 000 hives of bees.

Of these 485 beekeepers managing 78 528 hives of bees (85 per cent of the hives registered in Victoria) live within the area depicted for the box ironbark forests and woodlands investigation area.

Therefore, if beekeeping is to be excluded from an area that might become a national park under an ECC recommendation, 85 per cent of the efforts of the beekeeping industry will be wiped out. The state simply cannot afford that.

I know it is possible to provide exemptions for activities in national parks — for example, deer hunting is allowed in some areas of national parks. I point out to the government that this is a critical issue for this small but important industry. It is small in terms of its direct product — honey and beeswax — but it is significant in terms of the pollination services it provides for other horticultural industries.

Eighty-five per cent of honey production is undertaken in this investigation area, so any decision the government makes in response to the ECC report on box ironbark forests and woodlands will be critical to the apiary industry and the communities it serves. The way the government responds to the report will be critical and demonstrative of how it approaches the economic development of regional Victoria.

I could talk at length about the regional forest agreements that the state and federal governments have recently signed for Gippsland and western Victoria. I do not have the time to go into detail on that now, but I am concerned that the final outcome achieved by the state and federal governments will, in the long term at least, have a significant impact on the economic viability of many of our timber towns across Victoria. I say that because the agreements effect a significant reduction in resource availability.

The Gippsland agreement provides for a reduction in resource availability to the timber industry of about 20 per cent. Some money is provided by the federal and state governments to offset that or perhaps to provide further value adding, retraining or buy-out opportunities for some of those in the industry. A no-job-loss position was professed at the time, but in the long term you simply cannot buy jobs. We can retain jobs only if we use our natural resources. But agreements have been reached to reduce natural resource availability in the

timber industry in western Victoria and Gippsland. I am convinced in my own mind that in the long term there will be significant job losses to people in the industry in both those regions.

I conclude by returning to the point I made at the start of my contribution to the debate: regional economic development is not simply about putting money into roads, bridges, schools and hospitals — that is, infrastructure and facilities. Our towns continue to rely on the use of the natural resources that exist in their neighbourhood — that is, the land for agriculture and the resources under the ground, in the rivers and streams and in the mountains. Without appropriate and balanced use of those we have no future in regional Victoria.

The Bracks government can profess that it is committed to regional development and wheel out a list of its budget commitments, but it will be judged on its sanctions and particularly its administrative actions in the years to come as to whether it allows sensible, balanced access to resources on public land. That is what we are fearful of and why this motion has been moved today.

I am thankful to the Honourable Bill Baxter for moving the motion because it has given me the opportunity to express some of my views about regional development and what it is all about. I trust the government will take on board the views that have been expressed by the opposition, because we all share the common view that we want country Victoria to prosper. Unless access to our natural resources and public land is allowed in a balanced way, that will not occur.

I commend the motion to the house.

**Hon. J. M. McQUILTEN** (Ballarat) — I am disappointed in the motion moved by Mr Baxter — its wording is a bit cheap. I know the issues are serious and important, but the motion is not appropriate for the problems that exist in the bush. I am concerned about the approach that has been taken in the motion.

**Hon. W. R. Baxter** — Speak up. We are having trouble hearing.

**Hon. J. M. McQUILTEN** — I organised the Public Land Council presentation in the upper house committee room two weeks ago. I have had many meetings with the council, with apiarists, miners, loggers and the seafood industry, and I am helping them. I am concerned about all of the issues, including those raised by earlier speakers.

**Hon. W. R. Baxter** — That is good to hear.

**Hon. J. M. McQUILTEN** — I would also like to answer the points about regional development and what regional development is. It is vital to not just invest in infrastructure, although that is incredibly important and over the years infrastructure in the bush has been run down and wound back, and there is a crying need to upgrade that infrastructure. However, regional development is much more than just infrastructure; it is about people and investment; it is about private enterprise and getting on with the creation of money and jobs, which requires a partnership between local government, the federal government and the key leaders in the community.

It is hard to convince large companies to move to the bush and invest in the bush, but that has to be done. My no. 1 priority is jobs in country Victoria. I believe that is also a government priority.

When land is used for all the things honourable members have talked about, that is fine — we have to keep doing that. The world is moving on very quickly. We have to invest in information technology and take advantage of all the opportunities it provides, such as people working from home. Australia has a great opportunity to change the way business is done and to create new businesses in the bush, but that will require courage on the part of country people and help from the government.

An issue that has not been raised by members of the opposition is how the goods and services tax (GST) will affect people in the bush. My concern is that the GST will cost lots of jobs in the bush. Again, that is not mentioned in the motion and has not even been talked about by honourable members on the other side.

Mr Baxter said that Minister Brumby attended the opening of new projects in his electorate where the former Kennett government had done all the work. I worked for two years on the Australian Defence Industries development at Benalla when the previous Labor government was in power, which resulted in the creation of 320 jobs and a \$150 million in investment opportunities. I did not get any credit for that and I was not asked to the opening. It was a great investment. Often these developments take five or six years to come to fruition and by that time a new government may be in power.

I know something about the high country because it is my family's stamping ground, particularly Mansfield, Jamieson and Woods Point. My father and grandfather were goldminers. I cannot support the motion because it is worded cheaply.

**Hon. E. G. STONEY** (Central Highlands) — I will confine my remarks to the government's efforts to diminish the private use of public land. The Cain and Kirner governments of the 1980s made an art form of reducing commercial involvement in the high country. I have watched the current government develop, and to use an old bush expression, it is the same dog but with a slightly different leg action.

The government is actively working to diminish the commercial use of public land. The government is determined to get rid of the cattleman. Mr Baxter referred to the Mount McKay lift. The government hides behind process, which is a classic way of doing what it wants to do. Mr Forwood and I visited Seal Rocks, an excellent project. The Labor government does not want it — the Labor Party in opposition did not want it and the Independent member for Gippsland West in the other place does not want it. It would employ 80 people, but its future is clouded not because of any real environmental concerns but because of the attitude of the government. The future of the Tidal River development at Wilsons Promontory is clouded.

I will refer to the Mount Hotham powerline in some detail. Mount Hotham has an underground powerline that is technically flawed. It is possible it will fail in the future. If it does it will leave the resort stranded in the middle of winter, posing a threat to skiers and putting the viability of the resort in doubt. Eastern Energy has an ongoing proposal for a second line to go underground — that is, under roads and tracks through the Alpine National Park. Before the last election an independent panel approved the project and Parks Victoria was due to sign off on the project. However, one of the first actions of the Minister for Environment and Conservation was to call it in — and it is still on her desk today. Because of her inaction the powerline cannot be built this year and the Mount Hotham resort is exposed.

I will go through in chronological order some of the issues. In October 1999, the *Myrtleford Times* contained an article headed 'Power play threatens Hotham cable'. Mr Jennings claimed that the government does not have an ideological agenda. The article states:

A minority Labor government might veto the project. Party policy precludes any development in national parks.

It foreshadowed what was to come and how the Labor government's policies will impact on the high country. The government's policies were confirmed when Minister Broad, in response to a question without notice I asked in November last year, said that in effect Minister Garbutt is considering the issue in a way that

is compatible with the best interests of the park, and that the minister would give her decision on it at the appropriate time.

Obviously there is no balance involved and no consideration of the economic needs of the area. It comes back to the government's philosophy and ideology. There was deadly silence from the government until 9 February, when another article was published in the *Myrtleford Times* headed 'Hotham powerline running out of time'. I know the newspaper had tried to contact the Minister for Environment and Conservation for comment but that she was unavailable. The article states, in part:

Why hasn't a decision been made and will the Labor minister scuttle a very important project for rural Victoria?

A further report in the *Myrtleford Times* in March is headed 'Hotham loses powerline'. It states:

The plan has been awaiting Labor government approval since November last year.

The project has been effectively scuttled for another year because of the delay.

What a sad saga!

I return to the government's philosophy of no development in national parks. It hates commercial developments on public land. It calls in projects and ignores people who complain. When the investors walk away from a project it blames them. It is a simple formula. Mr Hall referred to a list of people involved with the public land council who expressed doubts about their future. They know their future is clouded and that the government is really the same dog with a slightly different leg action.

#### House divided on motion:

*Ayes, 29*

Ashman, Mr	Furletti, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Katsambanis, Mr
Birrell, Mr	Lucas, Mr
Bishop, Mr	Luckins, Mrs
Boardman, Mr	Olexander, Mr
Bowden, Mr	Powell, Mrs
Brideson, Mr	Rich-Phillips, Mr
Coote, Mrs	Ross, Dr
Cover, Mr ( <i>Teller</i> )	Smith, Mr K. M.
Craige, Mr ( <i>Teller</i> )	Smith, Ms
Davis, Mr D. McL.	Stoney, Mr
Davis, Mr P. R.	Strong, Mr
Forwood, Mr	

*Noes, 14*

Broad, Ms	Madden, Mr
Carbines, Mrs	Mikakos, Ms

Darveniza, Ms  
Gould, Ms  
Hadden, Ms  
Jennings, Mr  
McQuilten, Mr

Nguyen, Mr  
Romanes, Ms  
Smith, Mr R. F. (*Teller*)  
Theophanous, Mr (*Teller*)  
Thomson, Ms

**Motion agreed to.**

## JOINT SITTING OF PARLIAMENT

### Centenary of Federation

**The PRESIDENT** — Order! The time has arrived for the house to meet with the Legislative Assembly in the Assembly chamber to consider a motion to invite the Senate and the House of Representatives to commemorate and celebrate in Melbourne on 9 and 10 May 2001 the centenary of the first meeting and sittings of the commonwealth Parliament at the Royal Exhibition Buildings and at the Victorian Parliament.

**Sitting suspended 12.24 p.m. until 2.07 p.m.**

**The PRESIDENT** — Order! I have to report that this house met with the Legislative Assembly this day in a joint sitting and the following resolution was agreed to:

That this joint sitting of the Legislative Council and Legislative Assembly of the Parliament of Victoria invites the President and members of the Senate and the Speaker and members of the House of Representatives to convene at the Royal Exhibition Buildings, Carlton, on 9 May 2001, for the joint commemorative ceremonial Federation sitting and commemoration ceremony, and at Parliament House, Melbourne, on 10 May 2001, for the commemorative Federation sitting of each house of the commonwealth Parliament and conveys its best wishes for the success of the said meetings that will mark the centenary of the first sittings of the Parliament of the Commonwealth of Australia.

## BUSINESS OF THE HOUSE

### Filming of proceedings

**The PRESIDENT** — Order! Before we take questions without notice, I inform honourable members that I have given permission for the proceedings to be filmed, which will also involve some background filming for archival purposes.

## QUESTIONS WITHOUT NOTICE

### Stafford Ellinson

**Hon. R. A. BEST** (North Western) — I direct my question to the Minister for Industrial Relations. Yesterday workers from the Stafford Ellinson clothing

manufacturing plant in Eaglehawk stopped work and travelled by bus to Melbourne to protest at the company's headquarters in Preston because of union rumours that the factory at Eaglehawk is soon to close. Will the minister advise the house of what discussions she has had with that company and what she is doing to resolve that major dispute?

**Hon. M. M. GOULD** (Minister for Industrial Relations) — As Mr Best indicated, the factory workers protested at the company's head office yesterday. My department has had some contact with the company and the union. We are trying to look at what the federal Minister for Employment, Workplace Relations and Small Business, Mr Reith, has put forward on insolvency and at the ongoing viability of the company. My department is in contact with the company. I will receive a briefing from the department, after which I will be happy to talk to the honourable member about the matter.

**Natural Resources and Environment: field equipment**

**Hon. JENNY MIKAKOS** (Jika Jika) — Will the Minister for Energy and Resources inform the house what action she has taken to ensure Department of Natural Resources and Environment field officers have access to necessary communications equipment?

**Hon. C. C. BROAD** (Minister for Energy and Resources) — I thank the honourable member for her question and her concern about communications equipment for regional Victorians. It has come to my attention that under the previous government's administration considerable sums of public money were wasted on the purchase of satellite phones for use by Department of Natural Resources and Environment field officers. On 12 May 1999, the department purchased 5 Kyocera satellite phones at a cost of more than \$25 000; and again on 27 August, 15 Motorola satellite phones were purchased at a cost of more than \$37 000. In total, the department purchased more than \$62 000 worth of satellite phones.

The satellite phones were for the exclusive use on the low-elevation Iridium satellite phone system. That system terminated its operations in Australia on 17 March this year, leaving the department with 20 satellite phones that cannot be used on alternative satellite systems and are therefore nothing more than paperweights.

*Honourable members interjecting.*

**The PRESIDENT** — Order! I ask honourable members to settle down to enable Hansard to report the proceedings.

**Hon. C. C. BROAD** — Worse still, the Victorian public will need to pick up the replacement cost of the previous government's \$62 000 blunder. In fact, Iridium filed for bankruptcy in the United States on 27 August 1999, the same day — —

*Honourable members interjecting.*

**The PRESIDENT** — Order! Honourable members are not being fair. The minister is entitled to be heard.

**Hon. C. C. BROAD** — Iridium filed for bankruptcy in the United States on 27 August 1999, the same day as the second purchase of satellite phones. Prior to May 1999, it was already public knowledge that — —

**Hon. G. R. Craige** interjected.

**The PRESIDENT** — Order! Mr Craige is testing the patience of the Chair. I ask him to keep quiet.

**Hon. C. C. BROAD** — Iridium's United States-based chief electrical executive officer resigned on 22 April 1999, which followed the earlier resignation of the chief financial officer. The previous government should have been aware of the risks associated with the purchase of the satellite phones. In response to those circumstances, the department has temporarily hired 20 satellite phones to ensure that field officers in isolated and regional areas of Victoria have access to the communications equipment they require to do their very important jobs.

*Honourable members interjecting.*

**The PRESIDENT** — Order! Question time has been going since 2.08 p.m. If this noise keeps up it will terminate at 2.28 p.m. without extension. I am in the hands of the house. I ask the minister to help proceedings by winding up.

**Hon. C. C. BROAD** — As I was saying, in response to those circumstances, the department has taken the necessary steps to temporarily hire 20 satellite phones to ensure the field officers can do their jobs. The department will conduct a thorough evaluation of available satellite phones before any further purchases are made. Where appropriate, satellite phones will continue to be used by department staff for their enforcement, monitoring and routine operations in isolated locations throughout Victoria. I certainly support their continued use as valuable tools for field

officers, many of whom have no alternative means of communication.

### Holden Ltd

**Hon. D. McL. DAVIS** (East Yarra) — Given the competitive nature of the automobile industry and its importance to Victoria, I ask the Minister for Industrial Relations in what way has she used her good offices to settle the recent industrial dispute between Holden Ltd and its employees?

**Hon. M. M. GOULD** (Minister for Industrial Relations) — My office, in conjunction with the Minister for Manufacturing Industry, has been involved in discussions with the unions and the company to reach agreement on a memorandum of understanding that has been signed off by the unions and which will assist in the ongoing good industrial relations at the company.

### Avonwood Homes

**Hon. KAYE DARVENIZA** (Melbourne West) — Will the Minister for Consumer Affairs inform the house of any developments in relation to Avonwood Homes?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — As I have already announced, officers from Consumer and Business Affairs Victoria have been meeting with the liquidator and now with the insurance company that is dealing with the majority of people who have insurance coverage through Avonwood — that is, Dexta. There are two insurance companies that have policies under Avonwood — HIH Insurance and Dexta. We are arranging for information to be given to all members of Parliament to assist with constituents' inquiries about the matter. However, a few items that have been reported in the media need to be clarified so that honourable members can pass the information on to constituents who have complained about their situation.

It is important that contracts are taken to and discussions held with the insurance company concerned. That means people need to look at their contracts, ascertain whether it is HIH Insurance or Dexta, and take those contracts to their discussions with the company. There has been some confusion as to what people are entitled to if they have been meeting their scheduled payments. If structural problems occur resulting from the building being left standing for some time, that is covered under a \$100 000 coverage in their insurance. I want to make that clear because reports in the newspapers have mentioned a 20 per cent cap on

the cost of the contract — but that is for additional costs. Structural damage that needs to be remedied is covered under the \$100 000 component, and additional costs, such as additional storage charges, the goods and services tax, or increased costs due to rental, may be covered.

The only way constituents can be sure of their circumstances is if they get the contract across to the insurer. I know the liquidator has been calling for builders to help build and other matters, but the insurance company has to authorise the completion of the building. Those who are covered by insurance are those who have signed contracts with Avonwood Homes. Those who have preliminary agreements are not covered by insurance policies.

Following discussions with my office the liquidator is examining whether arrangements can be made for the Avonwood plans that have been signed off to be transferred so that people do not have the additional expense of having new plans drawn up and so that they may also be provided for in some way. The liquidator is examining the matter and it is hoped that will be the case.

**Hon. Bill Forwood** — Have you discussed it with the liquidator?

**Hon. M. R. THOMSON** — I have not spoken to Mr Pattison on this matter, but my officers have. We understand he is endeavouring to do everything he can. I have had discussions with Dexta directly.

All those who have contracts with Avonwood Homes and have made the appropriate payments along the way should be adequately covered under the insurance scheme. We hope that is the case, that it is dealt with speedily by the insurance company and that those concerned have their concerns allayed by dealing with the insurance company.

**The PRESIDENT** — Order! Before calling the next question, I point out that an important issue such as that should be brought to public attention. I suggest to the minister that she may consider the use of a ministerial statement for such a detailed matter in future. That would enable the house to easily debate the issue. It is probably a less restrictive forum for matters of such importance.

### City Link: e-tags

**Hon. P. A. KATSAMBANIS** (Monash) — I direct my question to the Minister for Industrial Relations. A picket line established by the Australian Workers Union and the National Union of Workers at the Gordon and

Gotch Ltd warehouse in Burwood is preventing the distribution of e-tags to motorists. That is despite the fact that Blue Circle, the company distributing the e-tags, is not a party to the industrial dispute being undertaken by those unions. What action has the minister taken to ensure that Blue Circle is protected from that totally unrelated industrial action and that Victorian motorists are able to receive their e-tags in a timely manner?

**Hon. M. M. GOULD** (Minister for Industrial Relations) — The Australian Workers Union and the National Union of Workers are taking protected action under the Workplace Relations Act in an attempt to negotiate an enterprise bargaining agreement with the employer. I understand there has been a breakdown in those negotiations, but that the union and the company were having a meeting yesterday to try to resolve the issue. The honourable member mentioned Blue Circle being unable to gain access to e-tags. I have had no contact with Blue Circle about the matter. If I had I would be happy to take up the matter.

#### **Rural Victoria: energy efficiency services**

**Hon. E. C. CARBINES** (Geelong) — Will the Minister for Energy and Resources inform the house of the government's action to ensure that regional Victorians have high-quality access to government energy efficiency services?

**Hon. C. C. BROAD** (Minister for Energy and Resources) — One of the measures included in the government's Greener Cities policy statement included increasing the availability of energy advisory services to Victorian householders and businesses.

I am pleased to advise the house that steps have already been taken to ensure that high-quality energy advisory services are more readily accessible to regional Victorians. In December last year I launched the Sustainable Energy Authority's new regional energy advisory program with the opening of the Geelong regional advisory centre which, I am pleased to say, the Honourable Elaine Carbines attended. Through that program five regional energy advisory centres are being established, in addition to the energy advisory centre already operating in the Melbourne central business district, close to Parliament House. New centres are now operating in Geelong, Bendigo and Ballarat, with a further two centres to be opened in the Latrobe Valley and Wangaratta.

The centres will be staffed with trained energy consultants familiar with the local areas. They will provide advice to consumers and local businesses on

saving energy in the home and workplace. Stronger relationships will be developed with local builders, suppliers, retailers and businesses, local government and community and business groups. Most importantly, the centres will raise awareness of other benefits of improved energy efficiency and a greater use of renewable energy. Also, the centres will assist in the implementation of energy savings actions through a range of services provided to householders and small businesses at significant cost savings.

Consumer research has repeatedly shown that Victorians see the provision of information on the wise use of energy to be of vital importance. Improving the energy efficiency of homes and businesses is now a mainstream environmental and economic issue. Research also shows that 8 out of every 10 householders receiving information from the Sustainable Energy Authority will act on that advice. I am pleased to inform the house that this information and advice is now more readily accessible to regional Victorians and Melburnians.

#### **Sport and recreation industry awards**

**Hon. A. P. OLEXANDER** (Silvan) — I refer the Minister for Sport and Recreation to the clear assurance he gave the house on 5 April that he would work to enhance and improve the level of private sector corporate sponsorship of the annual sport and recreation industry awards. Is it not a fact that every single one of last year's seven corporate sponsors has withdrawn financial support from that important industry event and that that has led to a fall in the total prize pool of almost 50 per cent? Will the minister acknowledge his complete failure to live up to his assurances to this house and to his ministerial responsibilities in the area?

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — On a number of occasions I have mentioned that it is disappointing for opposition members to talk down the good work of the Department of State and Regional Development. As I have said previously, I have not been informed of sponsors withdrawing from the event.

**Hon. A. P. Olexander** — It is right here in the report.

**The PRESIDENT** — Order! Mr Olexander is not to make such displays.

**Hon. J. M. MADDEN** — Such comments undermine the continued good work in the community of Sport and Recreation Victoria for the benefit of Victorians.

### Freeza

**Hon. R. F. SMITH** (Chelsea) — Will the Minister for Sport and Recreation and Minister for Youth Affairs inform the house of any action his department is taking to provide additional opportunities for youth recreational activities?

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — Honourable members might not be aware of the Freeza program, a drug and alcohol-free entertainment program.

*Honourable members interjecting.*

**The PRESIDENT** — Order! The house cannot proceed unless the proceedings can be reported, and the proceedings cannot be reported because of the racket. I ask all honourable members to desist so the minister can be heard.

**Hon. J. M. MADDEN** — The Freeza program has received \$2 million for 2000–01, an increase of \$756 000 from the \$1.244 million allocated in the previous year. That will allow for the extension and enhancement of the program. The Office for Youth will maintain the existing program while expanding certain components including youth sector development, local government linkages and event involvement.

Increased peak body funding is in response to identified funding gaps. An independent program evaluation will be funded to develop an evidence base to assist future funding considerations and program design. An additional 10 rural and 4 metropolitan providers will be funded to meet high levels of demand, making a total of 59 providers. Annual provider funding is increased from \$16 000 to \$20 000.

Increased funding will allow for the redevelopment and upgrading of the Freeza web site from static to database design. The site will act as a tool for provider and youth communication. It will also be an Internet gateway in the development of National Youth Week and Centenary of Federation Victoria celebrations between January and June 2001. The increased funding will also provide for Freeza youth committees in the implementation of the youth-oriented Centenary of Federation events between February and May 2001.

### Small Business May

**Hon. M. T. LUCKINS** (Waverley) — I direct my question to the Minister for Small Business. For the past three years small business operators have participated in seminars and information sessions and attended exhibitions during Small Business May.

Activities were held throughout metropolitan Melbourne and regional and rural Victoria. They provided a much-needed opportunity for small business operators to network and to learn of initiatives that might help their enterprises. Given that today is 10 May, will the minister explain to the house what fate has befallen Small Business May?

**Hon. M. R. THOMSON** (Minister for Small Business) — I have continued to support a number of expositions and information seminars for small business. The government has done away with the Small Business May badging that went with many of the former government's activities.

*Honourable members interjecting.*

**The PRESIDENT** — Order! I ask the house to settle down.

**Hon. M. R. THOMSON** — Small business needs not 1 dedicated month but 12, and that is precisely what will be occurring from here on in.

### Consumer and Business Affairs Victoria: web site

**Hon. G. D. ROMANES** (Melbourne) — Will the Minister for Consumer Affairs advise the house of any recent government action designed to improve access to consumer rights information?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — Last Friday I was honoured to launch the new web site for Consumer and Business Affairs Victoria. When I became the Minister for Consumer Affairs I was concerned that access to the department was limited to members of the community who are well educated, articulate and knowledgeable of their rights. Consumer and Business Affairs Victoria is looking at introducing a number of measures designed to ensure access for those who are not familiar with the assistance available to people in understanding their rights and obligations.

The web site has an interactive capacity. People can source information on residential tenancies, how to buy a car, what they need to know to purchase a home, product safety and consumer credit. There is also important information for the business sector on rights and obligations as a business serving consumers, how to deal with disputes with consumers and how to deal online with the department. The web site is a great new way to increase the accessibility of the department to Victorians.

## ELECTRONIC TRANSACTIONS (VICTORIA) BILL

### *Second reading*

**Debate resumed from 9 May; motion of  
Hon. C. C. BROAD (Minister for Energy and Resources).**

**Hon. G. B. ASHMAN (Koonung)** — The Electronic Transactions (Victoria) Bill follows on from the federal Electronic Transactions Act 1999. Its broad objective is to provide a regulatory framework that recognises the importance of information technology to the economic and social prosperity of Victoria and Australia as a whole. It facilitates and promotes business and community confidence in the use of electronic transactions. It will enable businesses and the community to use electronic communications in their dealings with the government.

The legislation, modelled on the commonwealth Electronic Transactions Act, is welcomed by all Australians involved in the information technology sector. The bill has the potential to change dramatically the way we work and conduct transactions.

Australia has been at the forefront of electronic commerce. As is typical with Australians, they tend to adopt new technology very quickly. Australia has one of the highest take-up rates in the world for video recorders, television sets and motor cars. When new technology comes on the market, Australians must have it. Whether it is a microwave oven or a new toaster, Australians are great consumers of new technology. Computer technology is no exception: Australians are among the world leaders in their take-up of computer technology.

In conjunction with similar legislation being passed by other state parliaments and the commonwealth, the bill will provide the framework in which we can all operate. It will give access to commonwealth and state government departments and a whole range of services provided by the private sector. In many instances it will provide the opportunity to remove the use of paper from the process, and in years to come it may remove it completely.

I do not know whether other honourable members have had experiences similar to mine with the computer. I must confess that although all the information arrives electronically and I think I will deal with it on-screen and file it and store everything electronically rather than printing it out, in my electorate office we still tend to use large quantities of paper. However, I believe the days are rapidly approaching when we will move to a

virtually paperless office and a paperless business environment.

The bill provides what can be described as a light-handed legal framework to encourage business and consumer confidence in the use of electronic commerce. It ensures that the community and business in particular are free to use electronic communications in a way that will enable them to satisfy their existing obligations and a way that will be consistent with international practices. With electronic commerce the traditional method of applying our signature to a piece of paper is no longer required. In its place is an electronic signature. Those in the information technology sector who have been active in using computers and other forms of electronic commerce via telephone and the like have been used to providing passwords and identifications — which are effectively a form of electronic signature to identify them.

A couple of weeks ago opposition members were talking with a group of people about electronic transactions, and their concept of an electronic signature was a signature scanned and then copied to an electronic document! That demonstrates that there is still a significant gulf in people's understanding of what an electronic signature is. But given the rate of increase in electronic transactions I believe people will quickly come to understand that an electronic signature is a password, an identification number or a registered ID that can be applied to documents. The opportunities that are now presenting themselves for electronic transactions go almost beyond description. The time is rapidly approaching when there will not be a single business function that cannot be performed over the Internet using that technology.

Sadly, local government, which should be at the forefront of the take-up of electronic commerce, has been one of the slowest groups to take up the new technology. In some cases municipal councils have developed web pages and provided some basic services to their communities, but they have really not led the charge in making it possible online to pay rates, process planning permit applications and the range of licences that are required for business, and the payment of simple things like fines. In the majority of cases, local government is still stuck in a paper-based environment.

A couple of years ago the former state government embarked on a major program of getting government online. It was the Kennett government's objective to have government online by 2001, and very significant progress has been made towards achieving that objective. We now have a major educative role through

schools and a significant level of services are available online at a state level.

When one considers the number of transactions that occur at the state level, one realises how beneficial it would be if they could be conducted electronically rather than using paper. Whether we use a desktop computer, hand-held palm pilot connected by infra-red to our mobile phone, a television-based Internet service provider (ISP) or a screen on our telephone, it is evident we are moving rapidly towards adopting the technology and conducting our own transactions with government through this new medium.

The use of the new technology presents some real benefits for the Victorian community. I shall use the medical and health sectors as examples. I am sure there would not be a single person in this chamber who has not been handed a prescription by a doctor and upon approaching the chemist been asked to interpret the squiggles and crosses that represent the practitioner's handwriting and signature. In my own case, the pharmacist is rarely able to read my name on the script, and he then usually has some difficulty reading the name of the drug that has been prescribed. So if the patient does not have some idea of what it is, the pharmacist must make a phone call to the doctor to find out.

However, with this new technology and the electronic signature we have the prospect of the doctor issuing the prescription online and transmitting it to the pharmacist, so that when you arrive at the pharmacy 20 minutes or half an hour later to pick up your prescription there can be absolutely no confusion about the drug prescribed, the dosage or the times it is to be taken. That example very simply demonstrates the significant benefits of such technology. Obviously, the doctor would have to have an ID or signature registered so that the pharmacist would know the document was valid. That technology also provides an opportunity of exchanging particular patients' medical records between medical practitioners and at the same time maintaining confidentiality.

This technology comes into its own for patients who live in remote locations as it allows the patient's records to be transmitted to one of the major teaching hospitals or to a specialist so that an evaluation can be made. A message can then be sent back to the local practitioner.

Another use that was suggested to me was in instances where an international medical evacuation is required, which always seems to happen at the most inconvenient times and in the most remote locations. An electronic ID would make it possible to authorise the evacuation

and the evacuation could take place very quickly without the need to rely too heavily on local resources in remote locations.

An organisation in my own area called Taralye, which operates under the auspices of the Advisory Council for Children with Impaired Hearing (Victoria), already provides telemedicine through a network operated out of its Blackburn facility. It services clients across Victoria and from as far away as Fiji. A small computer-mounted camera is set up in each location. The parent takes the child, usually with a specific hearing problem, to that location and weekly consultations can take place over the Internet. Part of the process they go through before the consultations get under way is the exchange of IDs. Although a fairly basic level of ID is used, it is in its own way a form of electronic signature. That is a practical example of how it would work in a simpler operation to assist in overcoming what is regularly referred to as the tyranny of distance.

As members of Parliament, we all have electronic signatures, albeit of a reasonably minor type, and each time we log on to the Parlynet system we use that electronic signature. That makes our understanding of the next stage much easier. The next stage will involve registering with a central register a signature that would then become the basis for an electronic signature on more substantial documents.

There is no reason why within a very short time we should not be conducting land property transactions in that way, so that instead of the usual reams of paper being generated the transaction is transmitted and stored electronically. Some of my legal acquaintances tell me they often have difficulty in finding people to sign pieces of paper required for a paper transaction. It is not unusual for people involved in land transactions to have moved interstate or be in the process of relocating, so there is a two or three day delay as documents are moved around the countryside.

As a justice of the peace I am regularly called upon to sign Queensland land transaction documents. They have a clause that states, 'Must be witnessed by a JP'. As a consequence, I have a steady stream of people coming to my office for signatures. It is part of the process of people getting their paperwork together as they either relocate from Melbourne to Queensland or sell a holiday property in Queensland. The papers often go back and forth several times. On more than a few occasions the same set of documents is returned to the vendor or the purchaser because they require additional initials. The process can get bogged down. The bill allows electronic transmission of documents which will

circumvent that process and generate significant time savings and efficiency improvements. With due respect to my legal friends, the usual excuse that the document is in the mail may no longer hold water.

As I said earlier, Australians have been receptive in the take-up of technology. Worldwide it took 50 years for radio to gain 50 million listeners; television took a decade to achieve that number; but in less than 10 years it is estimated that the worldwide access to the Internet and, therefore, electronic commerce, is approximately 300 million people. Estimates vary enormously on the level of transactions that occur across the Internet, but conservatively, by 2002, two years from now, approximately \$300 billion worth of transactions will occur. In Australia the take-up in Internet transactions is increasing by approximately 50 per cent a year. One can only speculate that the rate of increase will double every year for the next few years as not only consumers go to business but business goes to business.

Whether it be a business transaction or a private transaction, the electronic signature will be central to the transaction. The legislation provides the framework so that the electronic signature will be recognised and will have a legal standing. Last year Australians spent \$13.8 billion on information technology. It is not a flash in the pan. It is here to stay and it is the way forward. Business must embrace it. As I said, approximately 300 million people have access to the Internet today. It provides a fantastic business opportunity for Australian industry and commerce. It means that no longer are businesses tied to their local communities, to Melbourne, to Victoria or Australia. They can take transactions on the Internet anywhere in the world. The only thing one requires is a level of security and the assurance that you are dealing with a trusted source. The electronic signature will provide that opportunity to give a trusted electronic source.

Victoria has led the way, and the opposition is concerned about its potential to fall behind. The government needs to address its approach to the information technology industry and, in particular, the roll-out of services through the state system. If something is not done soon other states, including Queensland, will overtake us. Other states are keen to position themselves as the information technology centres of Australia. The British government has a program to put all government services online. The original project was designed to be completed by 2008, but that has been pulled back to 2005. Victoria must at least match that level of commitment, if not better it. It is a real challenge because more and more businesses are adopting information technology. It is a revolution in its early stages that we are now part of, so it is

incumbent on all of us to put in the maximum effort to ensure we and our children remain at the forefront of this electronic technology revolution.

The bill provides a solid framework for electronic transactions and for registration of electronic signatures. The opposition supports the legislation, while recognising that it is a light-handed approach. It provides a significant level of industry self-regulation. The opposition believes it is a reasonable and responsible approach and it looks forward to viewing the future successes of this initiative.

**Hon. S. M. NGUYEN** (Melbourne West) — I am delighted to support the Electronic Transactions (Victoria) Bill. It is the beginning of electronic commerce in Victoria. Many people now want to use their computers and the Internet to trade, to buy and sell products and to undertake business. People use the Internet at home, at school or at work, so it is a necessary tool for all members of the community.

Over the past few years we have used computers to look for information on web sites, to exchange information, to write letters and that sort of thing but now we are taking a further step towards using them for business. The computer is central to today's technology and people can do anything on computers. In a moment one can exchange information with many people in Victoria and the world. We can use computers for our banking and we can withdraw money and pay bills by telephone. Life is becoming faster but some people in our community do not have sufficient knowledge to keep up with the technology. Other people refuse to use the technology — they want to go to a bank rather than use telephone banking. Some communities miss out or do not have the opportunity to use the technology.

This bill is designed to protect the interests and security of the community and at the same time encourage business to open the door and do more with e-commerce. The bill is great for business. The second-reading speech states that it is estimated that next year the e-commerce industry worldwide will be worth about US\$300 billion and can be worth much more. The second-reading speech states also:

the number of business web sites doubled between 1996 and 1998; and

Internet-based commerce has grown from \$61 million in 1997 and is expected to reach \$1.3 billion in 2001.

The government is trying to boost e-commerce so that business can deal with state departments, state departments can deal with commonwealth departments, and the public and private sectors can do business and

exchange information and signatures. To do that business we must recognise many things about computers, the most important being signatures. People must learn to do business without running around. We can save a lot of time as life becomes busier. For example, people can search all sorts of travel agents to see who has the best deal for air fares and they can buy tickets and pay for them with credit cards such as American Express without ringing around or visiting travel agents.

People wanting to book air travel or accommodation, which can sometimes be a complex process that takes a lot of time, now have the convenient alternative of filling out forms on a computer. Under commonwealth law, people no longer have to fill out their tax returns by hand and send them to the Australian Taxation Office, because they can now lodge them by computer.

Many other things can be done by computer. For example, I can obtain information from the federal Department of Immigration and Multicultural Affairs. When constituents come to my office and say, 'I want to sponsor someone and I need a form', I no longer have to go to the immigration department to obtain the relevant forms and information. Instead, I can now visit the department's site on the Internet to get what I need. However, the forms cannot be lodged with the department by computer; they still have to be lodged in person.

I encourage the Department of Immigration and Multicultural Affairs to consider allowing people to lodge forms by computer not only in Australia but also from overseas. That would make it more convenient for Australians and people overseas to deal with the department. However, some countries have not yet met worldwide computer and Internet standards. Australian departments should be encouraging those countries to deal with them following our own high e-commerce standards.

As other honourable members have said, local councils provide grassroots services to ratepayers and residents. Those services should be available through council web sites, but unfortunately not many councils currently offer that facility. However, the government will soon be encouraging — or forcing — councils to give their ratepayers information about community services, building and planning regulations, locating lost dogs and contacting emergency services via the Internet. Residents will no longer feel that no community services are available after 4.30 or 5 o'clock because they will be able to locate them on the Internet.

The health industry also benefits from Internet communication. Patients in remote regions no longer have to travel long distances to visit doctors and medical consultants because they can communicate via telemedicine — known as Telehealth — by computer.

E-commerce is useful in many other ways for people who live a long way from central services, especially those who live in small Victorian towns or isolated rural areas. Twelve months ago I was invited to attend a seminar organised by E-commerce 21, a large American company similar to Amway, which was designed to encourage customers to use their services. The company provides good information by computer. At that seminar I learnt that people can now do their shopping on the Internet — in other words, they can locate good-quality products at competitive prices and search for information. That is convenient for busy people like mothers with children who do not have the time to go on large shopping expeditions while pushing prams and supervising two or three children. E-commerce will change the lives of Victorians.

The government has to encourage Victorian businesses to provide more Internet services while ensuring that consumers are protected. It must make certain that the products offered for sale on the Internet — which may be multicoloured and look good on the screen — live up to expectations. Consumers who shop on the Internet can be misled when ordering products that they have not seen. The government must make sure that consumers know what they are buying and that they have the right to complain if they are not satisfied with the products when they take delivery.

The government must also safeguard the security and protect the privacy of Victorian consumers who use the Internet by ensuring that unscrupulous people do not misuse the information consumers give them.

Not all households have or have access to computers, because some cannot afford them. Many students who cannot afford to own computers use school computers or go to libraries after hours to study. In working-class areas like Footscray, Sunshine and Altona in my electorate, libraries are always busy after 5 o'clock because of the number of students using their computers. Internet access is so popular that times have to be booked, and sometimes students cannot get onto the Internet line because others are using it.

All Victorians have the right to access computers and use the Internet. Computers are expensive tools on which to do business, and not every family can afford to purchase one or to update an old one because of the cost involved. The government has introduced

legislation to encourage the community to use computers. Because not every Victorian has ready access to a computer, the government has to think of ways of making computers available to the public. Some people were saying libraries or town halls could be used and that those sorts of things should be looked at.

I will mention a few points about e-commerce. The bill is modelled on the commonwealth Electronic Transactions Act 1999, which in turn is modelled on the United Nations Model Law on Electronic Commerce 1996, so it has become international.

The economy is now global and there are many global organisations and international business forums. Australia can now deal more quickly with world business. Not only do Australians do business in Australia but we do business with other countries, so e-commerce is good for Australia if it wants to stay ahead and be a frontrunner in conducting business with other countries, especially those in Asia, because Asia is still behind us.

In conclusion, I thank the minister for preparing the legislation and presenting it to the house. The Victorian government is committed to continue the work commenced by the previous government and will continue to deliver services to the Victorian community. I am sure the bill will attract bipartisan support because it creates important opportunities for businesses in Victoria. E-commerce will create a great many jobs and much business will come to Victoria because of it.

It is important to recognise the many sectors of the community that deal with e-commerce. As a parliamentarian, I would like to see every Victorian take advantage of the growth of e-commerce so that one or two years in the future we can look back on what we discussed today and see how much e-commerce has grown around Australia. We can then compare Australia's record with those of other countries to see whether we are in front or behind, and spend more money or expend more effort to help boost Victorian business. I commend the bill to the house.

**Hon. C. A. FURLETTI** (Templestowe) —

We are moving into a global economy, which is both driven by and driving information technology. People and companies now work and collaborate around the clock across the world.

That is a quote from chapter 2, page 11 of the report *Technology and the Law* prepared by the parliamentary

Law Reform Committee and tabled in this place in May last year.

**Hon. M. M. Gould** — A good report!

**Hon. C. A. FURLETTI** — I agree with the Leader of the Government; it is a good report. She and I were members of the committee that prepared and presented it.

**Hon. Bill Forwood** — A mutual admiration society!

**Hon. C. A. FURLETTI** — It is so rare you have to take it when it arrives. I shall quote again from the same page:

The new economy requires a fundamental reconception of the role of government, the legal system and each professional group in society. It also requires an analysis of the different relationship that the citizen will enjoy with government, law and the global society in general.

Although that report was tabled last year it would be true to say that it is already partially out of date. Although the opposition does not oppose the bill it considers it has shortcomings when compared with what could have been achieved if the Bracks government had picked up on the work done by the previous coalition government.

The bill is relatively brief. Although it does not go far enough, it is the first step on the long journey of legislating for technology and its future use. In particular the bill recognises that information, knowledge and communication technology is the key to the future. It acknowledges that the boom in electronic dealing has begun and that governments must therefore react appropriately. I shall quote Baroness Margaret Thatcher who said:

... if you are trying to legislate for information technology, it is many years, some will say light-years, ahead of the capacity of law-makers to comprehend and then address the problems.

That is one of the challenges that lies ahead for this Parliament and indeed for many Parliaments around the world.

As earlier speakers pointed out, the bill is part of a national scheme. It mirrors the commonwealth Electronic Transactions Act, which was enacted earlier this year, and it does so almost verbatim. In fact, in commenting on the commonwealth act, I comment equally on the bill before the house.

By facilitating the development of electronic commerce in Australia, the bill removes a number of existing legal impediments to the use of electronic communications.

It puts electronic documents on the same legal footing as paper-based documents in the sense that electronic documents will not be discriminated against merely because they are in electronic form.

Moreover, the bill does not discriminate between different forms of technology — that is the case in both the commonwealth act and the bill before the house. Electronic communications transactions can satisfy legal requirements only if they comply with certain criteria that appear in the bill to ensure that they are accessible, reliable and maintain the integrity of the information communicated.

That is effectively what the bill does. However, it falls short of the commonwealth act in that a number of minor but significant evidentiary provisions in the commonwealth act have not been transported into the bill. I hope the minister will comment on that shortcoming in her summary.

Fundamentally the bill provides protocols for the recognition and acceptance of electronic transactions. It clarifies their legal standing by dealing with the terms of execution of the contract. However, it fails to address what is of most concern and interest to those using it — that is, the verification of not only the sender but also the receiver. An issue one comes across when discussing this matter with those in the marketplace is their concern about who they are dealing with. As honourable members know, we are dealing in cyberspace.

One of the many areas of concern that came to light during the parliamentary committee's technology and the law inquiry was the accessibility and the verification processes by which transactions can be completed. As you, Mr Acting President, said in your contribution to the debate, electronic signatures have been developed and there are many numbers, forms and types of electronic signatures. It may well be that one of the reasons the bill does not address that aspect of electronic transactions is the difficulty with which it is associated.

I applaud the definitions in the bill because they are detailed. They provide direction as to the meaning of new terminology in this world of new technology. Reference is made in the explanatory memorandum to the intention of the government to leave the word 'signatures' general and not to restrict it to things such as digital signatures because there may be other forms of signature other than simply through the digital medium. Signatures are being developed almost on a daily basis. They are available for use to protect people and to establish the confidence people demand in

dealing electronically. Although the bill acknowledges the existence of signatures, it does not acknowledge their nature. In that sense it has probably retarded an otherwise rapid development by consumers to electronic transactions.

The former government put in place a couple of draft bills, including the Data Protection Bill which was tabled in the 1999 autumn sessional period. That bill provided the users of electronic transactions with some degree of security and was a document which the government could easily have picked up and in a bipartisan way made variations after consultation. It would have advanced us considerably. The other bill that was drafted and circulated for comment was the electronic commerce framework bill. It was prepared with the aim of providing legislative recognition of electronic signatures to encourage and promote electronic commerce, to assist in developing industry codes of practice in electronic commerce — something that could easily have been addressed in this bill — and to address issues of computer crime, which is important for confidentiality.

Honourable members will be aware that last week a computer virus was spread rapidly via email to thousands of businesses and individuals in many countries around the world. Those issues must be addressed on a global basis because most of what the house is debating today concerns the international business computer system. I refer the house to my opening comments about the breadth of electronic transactions.

Another shortfall of the bill is its failure to address the evidentiary elements of those transactions. The bill provides no basis at all for substantiating a transaction. As I said, there is recognition that a transaction can be entered into electronically. It is given force of law and it eliminates any doubts as to the legality of electronic transactions, but it does nothing more than that. The bill provides simply that if the parties agree to deal electronically and consent to that form of transaction, whether that consent be expressed or implied, there is a contract on foot. The bill does not go far enough. It should have been the springboard by which Victoria could have retained its lead in information technology on a worldwide basis.

It was only last year that the head of Microsoft, Bill Gates, came to Victoria at the invitation of the Kennett government. Before he left he commented favourably on the fact that Victoria was one of the leaders in information and communication technology in the world. The Victoria 21 program led Victoria to the fore in technology. Victoria has a greater computer per child

ratio in schools than probably anyone in the world, certainly in Australia. I refer to the Law Reform Committee's *Technology and the Law* report which states:

It is intended that through the implementation of Victoria 21, Victorian firms will carve out a major role in the global provision of multimedia products and services.

It is an industry all of its own. It further states:

The government will use the power of information and communication technology (ICT) to transform the way it provides services to, and communicates with, the public. Victoria 21 has three main objectives namely that:

- (a) citizen, government and business applications of multimedia communications and information services in Victoria will surpass —

not match, but surpass —

international benchmarks;

- (b) wealth and jobs created by Victoria's computer, multimedia and communications industries will demonstrate sustained growth; and
- (c) Victoria is recognised as a centre of excellence in the global information economy by 2001.

They were the objectives of the coalition government. This government has not even a minister for multimedia. That is the importance the government places on the issues before the house today.

It is sad that the VicOne project introduced by the former coalition government has been left to fall behind. VicOne linked every government agency, including schools, public hospitals and police stations, and in the future was to link private sector organisations on a network. It was a vision of the Stockdale and Kennett team that had been substantially implemented, and kept Victoria at the fore of the industry.

If one falls behind when driving a truck one eventually catches up or at least has some prospect of catching up. When one falls behind in the technology stakes, one tends to stay behind. Page 13 of the report refers to a theory called Moore's law which, I am sure, the Leader of the House will recall. It states:

... the accepted theory till now has been that in an 18-month period the speed of microprocessors can be expected to double while in the same period the price will decrease by a third. However, Susskind suggests that performance will come to double in less than 18 months, so that it will be less than the predicted 20 years before one personal computer will be as powerful as the sum total of all of today's machines in California's Silicon Valley.

That is frightening stuff. I was having a sandwich today with somebody in the industry and I mentioned

Moore's law, to which he replied, 'Don't worry about it; it's already been broken'. That is the rate of development at which information technology is proceeding. If Victoria falls behind it will never catch up.

I urge the government to bear in mind the significance and the vital nature of the information technology industry. It is all right for those of us over 40 years of age, more or less, but it is the next generation one must consider. My children have access to and often gain access on my behalf to the World Wide Web. It is important to remember that future generations will not share the concerns that many of my generation have. They will be driving us into the future.

It was impossible to deal with the terms of reference given to the Law Reform Committee insofar as technology and the law without looking at the broader picture. That explains why I am not as computer illiterate today as I was four years ago. One of the recommendations was that:

The Victorian government should establish a whole-of-government body to facilitate and control public key technology within and between Victorian government agencies and between those agencies, their clients and their service providers.

That is a significant element. It is important that the government continues the initiative to drive the industry that was initiated by the previous government. Although the opposition does not oppose the bill it urges the government to rapidly respond to the recommendations in the Law Reform Committee report which, of necessity, cover areas beyond the application of technology to law and which would benefit all Victorians in the area of information and communications technology. I commend the bill to the house

**Hon. JENNY MIKAKOS** (Jika Jika) — It is with pleasure that I speak in favour of the Electronic Transactions (Victoria) Bill, given the emergence of new technology and the important role it is increasingly playing in today's economy. Many honourable members have already demonstrated a degree of technical proficiency with the Internet and electronic commerce, perhaps a far greater proficiency and understanding than I have. I commend the parliamentary draftpersons for the level of detail uniquely undertaken with the bill. The explanatory memorandum will prove of great assistance not only to members in their deliberations on the legislation but also to members of the public generally.

When enacted the bill will have a significant impact in developing an increasing use of electronic commerce in Victoria. In my previous life as a lawyer I practised in commercial law and had some dealings with firms that were either emerging businesses in electronic commerce or had already become so. I was particularly impressed by the number of young entrepreneurs who were developing such businesses. They were extremely enthusiastic and inspirational in the opportunities and services they provided to Victorians more generally.

I am confident those young people who have commenced such businesses will form the backbone of a growing industry in the state. The legislation will spur that momentum and will enable Victoria to be the leading state in the area of electronic commerce and information technology.

It is important that the government encourage electronic commerce to develop further. As we all know, Australia is fraught by the tyranny of distance. That applies not so much to this state but to the rest of the country where problems of access and distance have proved to be an impediment to business and trade and a disadvantage to regional areas.

I am confident that the Business Registration Acts (Amendment) Bill, which is to be debated shortly, and future legislation on data protection will, with this bill, represent a total package to develop Victorian e-commerce.

Regional Victoria has been disadvantaged in the past because of distance. The legislation will bring about greater service delivery to Victorians who live in regional centres giving them the ability to access government services and information. Regional communities will be able to establish businesses in the area in which they live and not feel the need to drift towards major provincial centres or Melbourne, as has been a case for many years. It is important to acknowledge the government's commitment to electronic commerce, which was evident in 'Connecting Victoria', the ministerial statement launched by the Minister for State and Regional Development in November last year.

Connecting Victoria shows the government's sincere and firm commitment to developing information technologies and electronic commerce opportunities in Victoria. I encourage honourable members to read that statement, particularly the section relating to e-commerce. It mentions some Victorian industries that have adopted electronic commerce and as a result experienced a considerable increase in business.

McMahon Global Food, a food distributor based in Ballarat, has increased its revenues by 30 per cent since using e-commerce. It has contracts with companies in Algeria, Argentina, South Africa, Russia and Brazil. That company is to be commended for its e-commerce efforts and for the job opportunities it provides the people of Ballarat.

The take-up of e-commerce is dear to my heart because of the opportunities it presents to Victoria's manufacturing industry. Industry in my province is very much based on manufacturing. The prevalence of the manufacturing industry has declined over the past 20 years or so. I am confident that e-commerce will present many opportunities to Victorian industry, boosting trade with nearby countries in the Asia-Pacific and beyond; encouraging the development of new products for growing markets; and creating new jobs in Victoria. I am hopeful some of those jobs and industries will be based in my province. Some such industries have commenced operations in the northern suburbs of Melbourne.

I referred earlier to the opportunities presented by e-commerce for regional Victoria. It is important to acknowledge the efforts being made by the Bracks government to establish regional call centres, which will act as a spur for jobs growth in depressed parts of regional Victoria. Some of those initiatives have already come to fruition. I am certain the Minister for State and Regional Development will continue to pursue those opportunities for the benefit of all regional Victorians.

In addition to the government's regional call centre attraction program the High Tech Towns project has been announced, commencing with Ballarat and Portland. The government will work with industry to establish regional televillages to support teleworking and telecommuting. Such initiatives are to be commended. I hope members of the opposition will embrace those initiatives in a similar spirit to their bipartisan support of the bill.

Without doubt Victorians are turning to the Internet in greater numbers. Young people in particular are embracing the Internet, having been introduced to it at a young age through the education system. I welcome the initiatives of the Minister for Education, ensuring access to the Internet for all young people through the provision of computers at schools and ensuring that our teachers are adequately computer literate. It is important that young people have access to computer technology from a young age, no matter what their financial means.

The Honourable Sang Nguyen indicated in his speech that some young people in his province have problems accessing information technology facilities because of the high use of computers at public libraries, for example. Having visited public libraries in my province on numerous occasions I have frequently noted the queue of young people waiting to use the computer systems. Young people who do not have access to computers at home must not be disadvantaged or discouraged from taking up an interest in computers and e-commerce.

Many young people are looking to information technology as a career path. That should be encouraged with more training programs provided to ensure Victoria does not face a skills shortage in information technology as is currently being experienced in the housing sector.

The take-up by the public of e-commerce will largely depend on confidence in encryption technologies. Confidence will be improved with advances in the security of email and Internet transactions. The Honourable Carlo Furletti referred to the recent phenomenon of the love bug, which has seen many warnings emailed to honourable members to ensure they delete particular types of email from their computer mail list. The problems that bug and many other computer viruses have caused Victorian and Australian businesses is of some concern to me and I am sure to others.

Defence industries have been leaders in developing encryption systems. I note with a degree of amusement that a Japanese toy maker appears to be the leading light in developing encryption technologies implemented around the world. I am certain that in the near future sophisticated encryption technologies will give Victorians and Australians in general a greater degree of confidence in undertaking e-commerce transactions without fear of moneys going astray, the validity of transactions being challenged and their rights as consumers being infringed. For that reason I support the Electronic Transactions (Victoria) Bill. Its provisions will give Victorian consumers undertaking e-commerce transactions a greater degree of legal certainty of the validity of day-to-day transactions.

Honourable members who have contributed to the debate have gone into some detail about the bill's provisions. I do not intend to do the same, except to note that its content is fairly technical. It has been based largely on the New South Wales Uniform (State and Territory) Bill, which was developed through the Standing Committee of Attorneys-General. It is also modelled on the commonwealth Electronic

Transactions Act 1999 and the United Nations Model Law on Electronic Commerce — an international trade law model — developed in 1996.

The government has undertaken a great deal of consultation with key stakeholders and with other jurisdictions to ensure the legislation is uniform and will complement other legislation to be adopted by states and territories in the future.

Mr Furletti noted in his comments that in his view the bill did not differ from the commonwealth legislation to a great degree. However, I note that the Victorian bill does not adopt the opting-out mechanism that is contained in the federal legislation. The bill seeks to apply to all laws of the state of Victoria, apart from those to be specifically exempted by regulation. That will ensure that the Victorian legislation will have a far more comprehensive coverage than has the federal legislation. The two major areas where it is envisaged the bill will not apply are court documents and wills.

I noted earlier that the bill forms part of a total package of legislation, including the Business Registration Acts (Amendment) Bill to be debated in this house at a later date, which will seek to ensure that members of the public are able to register documents electronically.

It is hoped the exemption relating to court documents will be temporary. As a former legal practitioner I am certain that many members of the legal profession would welcome the electronic lodgment of court documents in the future. I look forward to that stage being reached in the near future. The government is committed to ensuring that Victorian consumers can undertake transactions with government electronically both to improve access of information and provide equity, particularly for regional Victorians.

The bill has been drafted in a way that anticipates further changes in electronic commerce technology in the future. As Mr Furletti noted, the bill does not refer to digital signatures but rather electronic signatures. It is anticipated that further improvements will occur in this field over the next few years as e-commerce continues to develop. The bill is drafted in such a way as to ensure that there is sufficient flexibility to anticipate further technological change.

I am confident that once enacted the bill will ensure that Victorian consumers undertaking transactions electronically will have a degree of legal certainty, which they do not have now. Once it becomes the law of Victoria, the bill will certainly encourage Victorian consumers to take up electronic commerce. I am certain

that will have a positive impact on Victorian businesses. I commend the bill to the house.

**Hon. P. A. KATSAMBANIS** (Monash) — The opposition does not oppose the Electronic Transactions (Victoria) Bill. In essence, it provides a framework for the recognition of electronic signatures. If it is included in a raft of other pieces of legislation the bill may well provide an appropriate framework for Victorians to conduct transactions electronically and to have faith that those transactions are legal and also that they actually occur in what we cannot touch, cyberspace.

However, on its own, the bill does not really achieve much. I ask what practical effect the enacting of this legislation will have on the relationship between Victorians and the government. I suggest it will not have the effect that the government through the minister's second-reading speech and government speakers have suggested it might have. What practical effect will the bill have on the interaction between citizen and government? As the bill stands now, its practical effect will be nil.

The major problem with the government is that it has failed to grasp a real understanding of information technology and communications and what entails e-commerce and electronic transactions. It has failed to give any indication to the people of Victoria and the information technology and communication industry that it is leading by example in this area. All the government's actions since coming to power last year have clearly indicated that it is simply a follower of information technology trends. Either through lack of understanding, lack of will or a combination of both it is no longer prepared to put Victoria in the position it was in under the previous Liberal–National party government — that is, as an acknowledged world leader in information technology and the adoption and adaptation of electronic commerce in our society.

Labor has failed in many ways in its short time in government. The first sign that it was failing in this important area was when it failed to even appoint a minister for information technology and multimedia. That was a negative sign for the business and information technology communities. The government has repeatedly demonstrated its lack of understanding in this area.

In November last year when the Minister for State and Regional Development made his ministerial statement on 'Connecting Victoria', not only did he show a complete lack of vision for where e-commerce and information technology might be heading in the near future — we can talk only about the near future — but

he also showed a complete lack of understanding of what information technology and e-commerce entail. I call on any member on either side of the house and the public of Victoria generally to read that statement and tell me whether they can find any sense of direction, vision or leadership in that document because I could not. The people involved in e-commerce and information technology to whom I speak daily tell me that they do not see too much vision, leadership or understanding from the minister or the government.

What else has the government done since coming to power? It called a Growing Victoria Together summit that was held in this building in March — only about six or seven weeks ago. All the leading players in Victoria were invited: business groups, community groups, trade unions, fellow travellers and all sorts of good people were called to a summit in this building. How many representatives of the information technology industry attended that Growing Victoria Together summit?

**Hon. W. I. Smith** — None.

**Hon. P. A. KATSAMBANIS** — How many representatives of the telecommunications industry were at that summit?

**Hon. W. R. Baxter** — None.

**Hon. P. A. KATSAMBANIS** — How many representatives of those involved in e-commerce on a day-to-day basis were at that summit?

**Hon. W. I. Smith** — None.

**Hon. P. A. KATSAMBANIS** — Again the answer is none. No-one from the information technology, e-commerce or telecommunications industries was considered critical or crucial to the development of Victoria or, in the words of the government, to helping grow Victoria. No representatives of those industries were invited to the summit. That is another indication that the government does not grasp what it means for Victoria to be a leader and a participant in information technology.

Honourable members should make no mistake about it, as this is no fad or trend. It is not even an evolution because the introduction of information technology and its spread throughout our community is causing a total revolution not only in how we do business but also in how we conduct our day-to-day lives. I invite honourable members to think back to how they were operating 5 or 10 years ago or even to how we were operating in this chamber two years ago, before the introduction of laptop computers and the wireless

network enabled us to have worldwide information at our fingertips as we speak in this place. Every member knows that information technology is extending the boundaries of our knowledge and giving us access to new information and, importantly, to new markets.

As the development is new, no-one has an inherent advantage or what is called a natural monopoly in the old economy. There are no natural monopolies in the area of information technology. The people who grasp the new opportunities will create wealth to benefit our society. However, to do so we must have a framework in Victoria that encourages growth in information technology and investment in the state by worldwide new economy corporations. We need a framework that does not actively discourage that growth and investment through the actions of government.

The previous government supplied that encouragement and it was acknowledged as a world leader by people such as Bill Gates and Al Gore. When Bill Gates called a summit of world leaders to discuss emerging trends in information technology, only two elected officials from the entire world — not just Victoria or Australia — were invited.

The two elected officials were Al Gore, Vice-President of the United States of America, and Alan Stockdale, who was then the Minister for Multimedia in Victoria. That showed a worldwide recognition that Victoria was leading the pack. Not any more! Since this government came to power seven or eight months ago it has not even bothered to appoint an expert advisory group to inform it of what is going on, of new developments in technology and where the government should be heading.

The government has allowed new investment in information technology to fly away from this state and go to states such as Queensland. It is sad for me and other members of the opposition who saw how much effort was put into attracting new investment by the previous government to sit here now and watch new developers like Red Hat, a Linux developer, and Oracle go to Queensland rather than coming to Victoria. Software development is likely to be one of the leading growth areas in the world. They are the businesses that will provide investment, growth and jobs as we continue into this new century, but the government is just letting them walk away from Victoria.

Last week when the government brought down its budget it cut the allocation to Multimedia Victoria by \$30 million, at a time when it is valiantly trying to convince the information and communications industry that it still has something legitimate to say in this area.

Perhaps the Minister for Energy and Resources could at some stage tell the house why those cuts are being made if the government is serious about attracting new information technology and investment opportunities to Victoria.

To further demonstrate its lack of vision, what was the centrepiece of the government's information technology spending in the budget? It was an initiative to introduce access to the Internet to rural and regional Victoria. That is a positive initiative and a great sentiment. However, what is the method of delivery of this new access to be? It is to be delivered through local town halls.

I do not know too many people who think, 'I need to access the Internet. I will go down to my local town hall and access it'. That has already been tried in Tasmania. What happened? The computer terminals are just sitting there. Conversely, the former Liberal-National party government in Victoria introduced Internet access in public libraries — facilities where people usually go to access information. The government made sure every public library in Victoria had a publicly available connection to the Internet. It would have shown a wonderful spirit of bipartisanship and an understanding of information technology if this government had expanded on that initiative and increased the number of computers available in public libraries. Instead, it tried to reinvent the wheel, to show that it has some sort of initiatives and ideas of its own, and it put computers into town halls.

In my time as a member of the parliamentary Law Reform Committee as it has travelled around Victoria looking at access to justice in country areas I have noticed that significant numbers of people in rural communities do not have adequate access to public transport to actually transport them to their town halls. The government should consider making access to the Internet available to people closer to their farms and residences, rather than locating computers at some major town with a town hall. That again illustrates a lack of understanding and leadership on the part of the government. The actions of the government since it came to power reveal a very narrow grasp of this important area.

As I said earlier, it is an important issue because anyone who thinks information technology and electronic communication is just an addendum or sideline to the main economy is terribly mistaken. Communities, states and countries that take that sort of approach to the development of the Internet, information technology and electronic communication will be the rust buckets and the information-poor in the 21st century.

The government should acknowledge it lacks ideas and a basic understanding of what is going on and should run a million miles an hour to acquaint itself with the cutting edge of information technology and electronic commerce. It should put an end to the bravado and acknowledge that it and its members, with a few exceptions such as the honourable members for Coburg and Preston in the other place, have a paucity of knowledge on those issues. It should work hard to address that problem instead of making motherhood statements and spouting platitudes.

The bill would be great as part of a raft of initiatives to facilitate e-commerce and electronic transactions. However, the proposals should include things such as data protection legislation, changes to the Evidence Act, as highlighted by the Australian Computer Society, and criminal sanctions for improper access to computer systems by unauthorised people or third parties who have no right to access them, which would set a standard that computer interference is wrong.

In my first few months in this place I had the honour to chair the subcommittee of the Scrutiny of Acts and Regulations Committee that reported on a review of the Evidence Act. The major conclusion of the review was that with some minor alterations to take care of jurisdictional issues Victoria should repeal the Evidence Act and introduce legislation that in large part adopted the provisions of the commonwealth Evidence Act 1995. A number of issues dealing mainly with jurisdictional issues had to be clarified, but the Kennett government acknowledged that when those issues were ironed out the current act should be replaced with an act replicating as much as possible the commonwealth act. It was in the process of adopting that position when government changed. It is imperative that sections 47, 146, and 147 of the commonwealth act — they give electronic documents legal status in the commonwealth jurisdiction and will do so in Victoria if replicated — are introduced immediately into Victorian law.

As other speakers have pointed out, the bill is based on model commonwealth legislation and picks up the aspects of the commonwealth Evidence Act that give full legal status and protection to documents in electronic form. The fact that Victoria does not have those provisions in its act has been highlighted as an issue by the Australian Computer Society. Legal practitioners agree with that principle. That places a question mark not over the validity of the bill but over its ability to be used to protect Victorians who purport to transact electronic business. The government should look at that issue and immediately introduce the provisions.

The report into the Evidence Act highlighted a few minor jurisdictional issues as well as one substantive issue concerning the introduction in Victoria of the provisions of the commonwealth Evidence Act, but sections 47, 146 and 147 of the commonwealth act were not part of those concerns and could be introduced independently into the Victorian act. I call on the government to do so to give the bill the cover it should have and so there is no question or doubt about it.

I turn now to criminal sanctions for improper transactions on computing systems by third parties. It has been made patently clear to the Bracks government that the former government intended to introduce criminal sanctions for such actions. That would have the practical effect of sending a message to people who want to access other peoples computing systems without their authority. I refer to the traditional hackers — people who try to utilise new technologies to gain access to computing systems — and to people who try to break into offices or homes, bust passwords and download information physically from systems.

The public of Victoria would expect that effective criminal sanctions should apply to stop people interfering with the computer systems of others, whether in a home, office or school. I call on the government to do what should be done — that is, introduce criminal sanctions for anyone who improperly accesses computer systems. If the legislation is to be effective in allowing people to conduct electronic transactions and in having electronic signatures recognised there must be certainty that anyone who improperly accesses computer systems or uses the electronic signatures of others will be effectively dealt with. That would create the level of certainty that would encourage people to embrace the technology.

The government can pass this vanilla legislation, but if it does not give it teeth people will not feel comfortable in using the template it creates. The bill would gain the necessary teeth in part through the application of criminal sanctions for improper accessing of computing systems. The main thing lacking in Victoria's legislative regime of electronic transactions generally and e-commerce in particular is data protection legislation. Such legislation was introduced in the autumn sessional period last year by the previous coalition government but was allowed to lay over for community consultation and debate.

Unfortunately an election intervened and a new government was installed. The bill the previous government introduced had been the subject of public consultation. It had met with such public acclaim that

the current government was duty bound to introduce it as one of its first pieces of legislation. That bill, which had nothing political, controversial or partisan about it, would have implemented an effective data protection regime.

The government has now been in power for more than seven months. It has had two parliamentary sessions — the spring sessional period last year and the autumn sessional period this year — in which to introduce data protection legislation to protect the privacy of Victorians and to safeguard against the collation and use of their personal information that is transmitted over the Internet.

The government is duty bound to introduce legislation to establish a level of privacy for Internet users sufficient to encourage the public to use the new technology. The more safeguards the government can provide to protect the privacy of individuals the more comfortable people will feel about using the Internet. Once they have used it they will realise what a wonderful method it is of transacting with government, business, or friends on a daily basis. However, the government has not done so.

I will highlight an issue that came to my attention in the middle of last week as a result of my interest in information technology, data protection, the safeguarding of intellectual property rights in cyberspace and — funnily enough — music. All those interests coincided in a report on the Yahoo! news service of 2 May about the members of the music group Metallica, who are among the world's leading recording artists.

People may or may not like the group, but they must acknowledge that Metallica has been one of the world's leading sellers of music over the past 15 to 20 years. The group lodged a lawsuit claiming infringement of copyright against a small firm called Napster, which allows computer users to share music files with other users online. The rub is that over three days — this is where data protection becomes critical — Metallica managed through a third party called NetPD, which is an online consulting firm, or a sort of online investigatory detective, to collate the names of 335 000 computer users who had accessed Metallica's music through the Napster online service.

I do not know how other people feel about that, but if I visit a music site to download a music file I would not necessarily foresee that a third party unrelated to the site would be able to ascertain that I had visited it and downloaded music. That would be the equivalent of my walking into Gaslight Music in Bourke Street, buying a

compact disk and through that simple transaction allowing anyone else in the chamber to find out what I had done. That gives rise to the question: what sort of privacy regime does Victoria need, given that when someone accesses music online an investigatory firm can find out his or her name — and in this case the names of 335 000 people? That demonstrates the number of people who access relatively minor sites on the Internet and the power of information technology, including its ability to bridge distances.

Another question it gives rise to is the sort of data protection regime Victorians want. Do we want third parties who are unrelated to transactions over the Net to be able to find out who has accessed the relevant sites? I do not have a problem with Napster knowing who its customers are, but I have a bit of a problem with 335 000 people being identified as having used the service.

It also highlights the issue of copyright, into which the issues of data protection privacy and the protection of intellectual property rights converge. All those information economy issues have to be grappled with. The concepts are not new, but the way governments deal with them in the context of an emerging medium is new.

The notion that a person can own an intellectual property right is not new; it has existed in our legal system for generations. The enforcement of copyright over the Net will deadset come up against the protection of an individual's privacy and his or her ability to access Internet sites without third parties knowing. The government must find a way of balancing those competing interests.

I have highlighted the issues I know other honourable members are concerned about. Over the past week I have exchanged dozens of emails about the lawsuit with friends all over the world. We have been discussing the implications from the point of view of privacy and intellectual property rights. But is the government thinking about it? No, it is not.

I do not want to be critical of the government on this issue; I would rather approach it by saying 'Well done, this is world-leading practice. Congratulations!'. However, the case I have just cited highlights the stage the world has reached on the legal issues surrounding information technology and shows how far away from that position the Victorian government is. The government is creating big holes that are preventing Victorians from taking up e-commerce and electronic transactions. It is failing to give them the confidence they need in knowing that their legal system will

protect them when they transact electronically on the Internet.

I was interested to hear government members suggest that certain things could be exempted by regulation from the operation of the act. The bill purports to apply to all the laws of Victoria unless their exemption is specified. For example, I have been told that the envisaged exemptions include summonses, which the law requires to be delivered by hand. The law does not allow the mailing of certain documents, so it will not allow them to be transmitted electronically. Other court documents might fall into that category. That seems reasonable and rational to me.

I was also told the exemption provisions would apply to wills and testamentary documents. That is fine for wills as they must be in writing, but there is a developing body of law that deems all sorts of things to be testamentary documents, such as bits of paper that are found under tables.

**Hon. J. M. Madden** interjected.

**Hon. P. A. KATSAMBANIS** — The Minister for Sport and Recreation may laugh, but it is true. If as was explained to me in a government briefing the exemption is to apply to all testamentary documents, it could have absurd consequences. For example, if a lawyer were taking instructions from someone who said, ‘I want you to change this part of my will,’ and the lawyer wrote down the change in a file note and the testator happened to die before the lawyer typed up the changes, the written file note would be admissible in court proceedings as evidence of testamentary intent.

It might not have full validity — the court would rule on it — but it would be admissible as evidence. However, many young lawyers when off site take their notes on laptops. As most honourable members would have noticed, I do that in this chamber. Therefore if that lawyer was out with a client and took that same testimony on a laptop instead of on paper and just filed it away for future reference, that file note would not be admissible as evidence whereas if it had been written on a piece of paper it would be. I put it to honourable members that that is absurd.

I highlight that as an issue. I am not sure whether it is the government’s intention to exempt all testamentary documents or whether it relates to those testamentary documents that must be in writing. That then makes sense. Restrictions that apply to personal service make sense. If people may not serve documents by mail or fax, they may not do so electronically.

Speaking more generally, I would like to hear from the government about any other exemptions for which it intends to regulate. I would also like clarification on whether such regulations would be subject to the now traditional regulatory impact statement (RIS) process, so the costs and benefits of the regulations can be assessed before the regulations are made. It was not clear to me before or after a briefing given by the government whether such regulations would be subject to a RIS process. I call on the government to give a commitment that any regulations made under the act will be subjected to the same regulatory process as other regulations and will not be brought in without appropriate scrutiny and, most importantly, public consultation and comment, because that is what the RIS provided.

I will now highlight the issue of determining what is an electronic signature. About a fortnight ago I and a few of my parliamentary colleagues talked with representatives of the Apple computer company, which as most honourable members would know is one of the largest computer companies in the world. We talked about what we considered to be an electronic signature and what the general public might consider that to be. I was not amazed at what each individual considered to be an electronic signature but I was amazed to hear that many members of the general public think an electronic signature is a real signature written down on a piece of paper that is scanned into a computer, comes up on the screen and can be identified by the person whose signature it is.

Although the idea has never occurred to me, it makes sense that the average citizen who might not necessarily be as IT literate as the minority would come up with such a description if asked.

**Hon. N. B. Lucas** — Like my old rubber stamp.

**Hon. P. A. KATSAMBANIS** — Yes, in the old days as chief executive officer of the City of Berwick your rubber stamp saved you from repetitive strain injury. However, today many people would consider that to be an electronic signature. That is not what we as an opposition consider to be an electronic signature nor is it what the bill foresees — a process where a series of mathematical formulae and transmitted data in a digital format verify that the person is who he or she purports to be. The description is convoluted, but it means that it is not a paper signature scanned in that comes up on a computer screen and looks just as it would if written on a piece of paper but a data code that verifies that people are who they purport to be.

Therein lies the rub; it highlights an issue not just in this bill but in the legislation on which it is modelled — the original United Nations Commission on Intertrade Law (Uncitral), which was used as a basis for the federal law. In the area of technology one year of real-time is probably the equivalent of six or seven years of Internet time and things change very quickly, so the Uncitral law was used not as a template but as a starting point for the legislation. It highlights the failure of the bill to provide for an adequate electronic system. The bill provides for two parties — in this case the government and the citizen — to transact and accept transactions, but it does not provide for some form of third-party verification of that particular signature. It does not provide for a particular mechanism where parties that are transacting through cyberspace with no physical contact can say, 'My certification says that Mr Smith is telling me he is Mr Smith; I want someone else to verify he is Mr Smith'.

In the old days when people bought something on credit over the counter at the local general store, Mrs Jones knew Mr Smith and Mr Smith knew Mr Brown. The shopkeeper would keep a tab and knew who was good for credit for a couple of weeks or whatever. As society became bigger and more dispersed we moved to a situation where we needed a third party for verification of an individual's credit standing. The credit card is a classic example of what I mean. I can walk into Gaslight Music, for example, and if I want to buy a new release by Metallica and I do not have cash on me, I hand over my Visa card or any form of credit card, which automatically gives third-party verification that Peter Katsambanis has the money to pay for it. The retailer knows he or she is protected in giving me a compact disc without receiving physical payment, not because I say I will pay but because Visa states I will pay. I have a contractual relationship with Visa and obviously if I fail in the performance of that contract Visa will nab me. Similarly the merchant has a contract with Visa that the merchant will be paid, so everyone feels satisfied.

The credit card and electronic funds transfer at point of sale (EFTPOS) system in Australia has so much credibility that it is a good example of where a verification by a third party gives a transaction intrinsic validity. It gives that added sense of confidence and satisfaction to the two contracting parties.

If one extrapolates the more readily understood examples into the world of cyberspace, one can begin to appreciate the significant issues. Earlier I said that government members should have a crash course in information technology. They should start thinking about simpler issues to help them understand the vast

area of emerging law, commerce and interaction. That is why in the physical world, outside cyberspace, third-party verification has been all important in ensuring confidence in commerce.

Similarly, in e-commerce and in cyberspace third-party verification will be all important. Little guidance is given in the bill — no guidance really — as to what public key cryptography or digital verification system is likely to emerge. The Australian Taxation Office wants to set itself up as a public key until someone else emerges. In Australia there is a real gap for some organisation, be it government or private, to set itself up. I believe it will be private in the same way the credit companies grew up as private institutions. It may well be that credit companies will provide a form of public key encryption or cryptography to ensure the public has faith and confidence in using electronic commerce and electronic transactions, because electronic transactions go beyond electronic commerce.

It is a positive if the bill attempts to take a light-handed approach. However, I do not want a light-handed approach to become a totally hands-off approach in the development of e-commerce, because unless there is a legal framework and a legal structure to transact in Victoria people will not transact their business here. In cyberspace I do not have to transact in Victoria. My favourite book store is Laissez Faire Books, originally set up as a little book store in San Francisco. I cannot visit it. Some 10 or 15 years ago we used to get its catalogues every now and again. They would arrive and we would order a couple of books.

Today I can look up its site on the Internet and order any books that may interest me. It is the same with Amazon.com, the largest online book store in the world. I prefer a more niche style of book store but that is my choice. I can order books and have them securely delivered to my door within a few short weeks. I can give my credit card over the Internet knowing that the security I have is infinitely stronger than if I ring up a ticketing agency in Melbourne and give them my credit card number over the phone. Yet how many honourable members have called a ticketing agency and given their credit card number over the phone, but when they are asked whether they use e-commerce they say, 'No, I have thought about it but it is a bit dodgy giving my credit card number on the Internet to somebody I do not know'.

It is next to impossible to have a credit number intercepted between you and the vendor over the Internet. The level of security is as good as, if not stronger than, giving it to a telephone operator over the phone at one of the ticketing agencies, or giving a credit

card to a waiter at a restaurant who can take an imprint. I am sure honourable members know that the old credit card carbon-copy slips were capable of being fraudulently misused and a lot of people suffered as a result. That cannot be done with electronic commerce over the Internet because the standards of encryption of that credit card transmission are a lot stronger than some of the standards in the physical world. Yet there is still that barrier because people want a legal framework to protect them. I accept that. That is why I say a light-handed approach should not be a completely hands-off approach.

I agree with comments of people such as the American President Bill Clinton who said that cyberspace should be a free market open to anyone and there should be as few restrictions as possible. However, if we believe in the rule of law, which we all inherently do, we need to ensure that there is a legal framework that protects consumers and citizens when they interact electronically in the same way as they feel confident to transact in the physical world because of a series of rules or laws that are there to protect them.

If the bill was part of a raft of legislation, including the changes to the Evidence Act that I commented on and the introduction of data protection legislation and criminal sanctions for improper access to other people's computing systems, which would include an attack on the difficult issue of intellectual property rights and cyberspace, it would go some way to providing a level of confidence that the law in our society extends to cyberspace.

On its own the bill stands out a bit like a shag on a rock. It will not provide that protection. I express sorrow and pity that that is the case. I hope the government catches up to the rest of the world, introduces the complementary legislation and continues to stay ever vigilant while in power because I do not want to see Victoria become an information backwater in a world that is quickly running away from us. The opposition does not oppose the bill.

**Hon. G. W. JENNINGS** (Melbourne) —

Mr Katsambanis has given a hypnotic presentation that raised a huge range of issues. It is incumbent on the government to consider those issues in its consideration of the legislation and any other legal remedies it may seek to pursue. Mr Katsambanis said a revolution was taking place in electronic commerce and the use of the Internet. The resultant growth of knowledge and information that is available in the world of cyberspace, as he describes it, led him in his analysis to almost believe cyberspace is the real world and the physical world is the world outside cyberspace. That is an

interesting insight and probably demonstrates the depth of his concern and attention to the important technological advancement of the transmission of information electronically.

However, there needs to be an appropriate balance between the physical world and the legislative environment we create and this important technological and social development. The electronic transmission of information relates not only to commercial transactions but also to the social life and cultural development of many communities around the globe.

It is appropriate for the government to provide the legislative framework in which those transactions can take place, particularly if they relate to the world of commerce and as they may relate to potential litigation about the abuse of that information.

I refer to the current advertising campaign of IBM about the tyranny of distance and the nature of economies such as Australia that rely on commodity prices and export markets. The scene is in the Midwest of the United States of America where two farmers are side by side in their vans. In Australia they would be called utes but in America they are somewhat larger vehicles. One says to the other, 'Hey, Earl, have you thought of using the Internet to sell your feedstock?', The answer is, 'We're not selling books; we sell feedstock to everybody in the district'. The reply is, 'Earl, have you ever left the district?'. That is a measure of the nature of economic activity, be it Midwest America or remote parts of Australia.

That 30-second vignette clearly demonstrates the commercial world we have known in the past as the world that has changed and will change forever. I agree with the central thesis of Mr Katsambanis's argument that the world is changing and will continue to change at an ever-evolving rate.

In his second-reading speech the Minister for State and Regional Development outlined the changing economic activity that is currently taking place on the Internet and through e-commerce arrangements. Currently it is estimated to be \$300 billion next year and is expected to increase three or four-fold within the next three years. That is a significant development. The role of the state government in the global phenomenon is to think of the appropriate levels of responsibility of state administration. This is where I divert from the opposition, which tried to confuse the role.

We must amalgamate the various roles the state government may play in this important issue. It goes to the foundation of a legal framework that acknowledges

the validity of the transaction and considers electronic communication to be of equal standing to written material in certain circumstances. It defines the limits of how that may apply to electronic administrative practices and commercial transactions and limits the scope of the application, in particular to wills and other documentation that operate within other aspects of the Victorian statutes that require private transmission anomalies.

The opposition rightly points to the fact that the legislation builds on commonwealth legislation enacted last year and international conventions that were determined by the United Nations Committee on International Trade Law in 1996. The Victorian legislative model is consistent with the approach of developing consultation with all jurisdictions throughout the country. It was agreed to by the standing committee of Australian attorneys-general and was designed to enable a degree of flexibility for emerging technological advancement.

The bill has been drafted in a way that does not favour any particular type of technology. It allows an opportunity for emerging technologies to be included within its scope. The Victorian government drafted the bill in such a way to enable it to deal with a degree of flexibility about those emerging technologies and forms of transactions, some of which are able to be envisaged at this time and some may be beyond the imagination of members of the opposition such as Mr Katsambanis.

The important element that he and other honourable members in both houses identified was the importance of data protection. The opposition called for adequate mechanisms to provide for data protection and a degree of certainty. It said sanctions should apply to inappropriate use of electronic transmission or the impact on hacking.

The good news is: watch this space! Keep an eye on the cursor. The government intends to address those important issues. The bill is a foundation that must be built upon to provide the legislative mechanisms to provide security and confidence to Victorians who wish to operate on the Internet for their commercial activities. The government recognises the need to provide protection and certainty. The government intends to underpin the growth in the software and hardware sectors and develop proper practices and processes that relate to those transactions. The bill provides a range of the measures that will assist Victorian industry to develop.

The government will consider what is the appropriate role for the state administration to play as a user of

emerging technologies. An emphasis of the former government was its visionary approach to emerging technologies. I am a member of a party that spent some time criticising the then government for some of the failures of those emerging technologies. However, it is worth erring on the side of caution when it comes to being part of a visionary approach to the use of emerging technologies. The government's concern will be to make proper assessments of the viability and demonstrable capacity of emerging technologies as we take them up.

As a member of the government I would be disappointed if the government did not play a role as a supporter and user of emerging technologies. The government faces a challenge in considering how it might play that role effectively while underpinning the development of software and other capacities within Victorian industry and the emerging services sector. Even without getting into the realm of backing winners or providing an inappropriate level of direct public subsidy to private enterprise, an appropriate balance needs to be struck. That is a challenge for the government in dealing with the issue. Perhaps that is why the opposition has said that the public announcements the government has made about programs such as Connecting Victoria fall short, lack vision and do not show a preparedness to underpin private sector activity. It is a difficult balance for any administration to strike and it is appropriate to get the concepts right before the government embarks upon that field of endeavour.

That is not to say that the government has not been prepared to fund a number of support programs. They have been supported and promoted by my parliamentary colleague the Minister for State and Regional Development and include Connecting Victoria and the Victorian E-Commerce Early Movers scheme. The Go for IT program will provide 125 traineeships in the Victorian public service to support the emergence in Victoria of a better skilled work force to deal with information technology issues.

A task force has been convened by my ministerial colleagues the Minister for State and Regional Development and the Minister for Post Compulsory Education, Training and Employment to consider Victoria's emerging skills requirements and the training opportunities that may be available to ensure that Victoria has a vibrant information, communication and technology sector in the state.

The Bracks government has successfully looked at making use of the Victorian government web site more efficient by creating Multi-server Express. Victorian

citizens can access 92 services online with the touch of a single button. Prior to that initiative a search was required, which demanded some knowledge of the name of the service the Victorian citizen may have wanted to access. The clear design of the web site enables easier access to information for all Victorians.

A point of contention in debate has been the appropriateness of establishing Internet access at town halls versus libraries versus schools and other such locations. It would be disappointing if that issue were to divide the house. I have no doubt that our united position would be to try to achieve effective, efficient access for all Victorians at whatever is the most appropriate location. Regardless of locality and circumstances, Victorians should be able to effectively use the Internet for commercial and social activities and to augment and enhance our education system. Maximum coverage and easy access for all Victorians would ensure no opportunity is lost.

In no way, shape or form should the interface with the technical world — that world enabling all sorts of human activity — become an exercise for technonerd or those who pursue information technology in an esoteric fashion. Some use their knowledge in an intimidatory way to add to the insecurity of people who may wish to take up that technology. It is appropriate that people employing such intimidatory tactics feel the wrath of the government. The government has a role in demystifying technology, maximising its potential and facilitating ease of use. That is one of the underlying theoretical themes of the legislation.

**Hon. R. M. Hallam** — It might include satellite phones!

**Hon. G. W. JENNINGS** — The bill is without prejudice towards any form of technology. Technologies will come and go. One of the strengths of the bill is that it has been drafted in a flexible way to enable it to cover technologies not envisaged. It is a theoretical framework establishing a baseline in an emerging field; ensuring equity before the law of electronic material transacted that in the past was not recognised as equal to physical documentation.

There has been no pretence that the legislation provides a framework to deal with data protection or sanctions. Such legislation will be required and, when put in place, will supplement the baseline established by the legislation before the house. Debate on the bill has allowed a dialogue between the government and the opposition, the latter expressing concern about the government's intention to address such issues. The message from the opposition that such legislation must

be introduced has been heard, and that will be achieved. I commend the bill to the house.

**Hon. W. I. SMITH** (Silvan) — I am pleased to join the debate on the Electronic Transactions (Victoria) Bill, which I do not oppose. A global revolution is occurring — a technology revolution that is greater than the industrial revolution. It is faster moving and it will have a greater impact on our lives than did the industrial revolution. The technological changes experienced in our lifetime will be nothing compared to the impact of the Internet and e-commerce.

Our personal experience of changing communications is the introduction of the fax, email and mobile telephones, but that is nothing compared with what is coming. E-commerce and the Internet will change how we communicate, our knowledge base and our business culture. We need only consider the skills and knowledge of our children in accessing and utilising the Internet to see that the world they live in is different from the world we grew up in as students.

The bill's objective is to facilitate and promote business and community confidence in electronic transactions. It will enable businesses and government to deal with each other via electronic means. Some issues have not been taken into account — privacy, data privacy and verification of third-party payments — but I will not go into any detail on those issues as they have been extremely well outlined by Mr Furletti and Mr Katsambanis, with Mr Jennings picking up their comments.

I hope the government will take note of those comments and continue its work in the area. It is fundamental that a legal environment is in place to facilitate and enable businesses to take up e-commerce across the state. That is critical to the global competitiveness of Victoria.

I intend to refer to the general trends in e-commerce identified in research and predictions at a global level. As a case study I will review the impact of e-commerce on an international industry impacting on Victoria. I refer to *E-commerce Beyond 2000 — Final Report*, a general report on global trends by the National Office for the Information Economy. It states:

#### E-commerce trends

Industry data indicate that the speed of adoption of e-commerce is rapid. Many analysts see the fast rate as 'unprecedented'.

I suggest it is so rapid that even businesses actively committed to e-commerce are having trouble keeping up. It continues:

While portraying a buoyant outlook, industry forecasts have consistently underestimated e-commerce growth.

Starting from practically nothing a few years ago, current estimates are for e-commerce to reach around \$US300 billion in the next year or so and, according to the reckoning of Forrester Research, eclipse the trillion dollar mark by 2003.

If the forecasts of Forrester Research are achieved, OECD-wide e-commerce will be the equivalent of 15 per cent of the total retail sales of seven OECD countries.

**It is big business. Businesses in Australia are rapidly taking up e-commerce, as highlighted in the *Australian Financial Review* of 1 April 1999:**

The number of Australian companies active in e-commerce is set to explode in the next 15 months with a five-fold increase in active Internet trading sites to take the total to 40 000 by mid-2000.

That's the latest prediction from research group [www.consult](http://www.consult.com), which estimates there are 8000 companies that can now boast a secure, web-based ordering system that enables electronic commercial activity. Only 1000 companies boasted such facilities a year ago, but 30 000 companies with access to Internet technology are still to make the leap into e-commerce.

**The use by households of e-commerce facilities is expanding rapidly. I understand that currently 25 per cent of the community is surfing the Internet, and honourable members know that figure is growing all the time. Households appear to be continuing to increase their use of both the Internet and e-commerce. *E-commerce Beyond 2000 — Final Report* produced by the National Office for the Information Economy states:**

Over 12 months from August 1998 to August 1999, the proportion of households accessing the Internet rose by 27 per cent to nearly 1.6 million households, or 23 per cent of all Australian households. Meanwhile household numbers using the Internet as a means for paying bills and transferring funds are rising at a rapid rate.

**That is very relevant to this bill. It continues:**

Many financial institutions are making investment in this area on the basis of this growth. In addition, purchases of both tangible and intangible products is increasing as individuals become more familiar with and trusting of security and authentication measures for conducting e-commerce over the Internet safely.

**The report has looked at the economic impacts of e-commerce, particularly on Australia. It says e-commerce impacts will restructure and change industry in Australia; there will be new products and services; it will produce efficiencies; and there will be a process transformation. The macroeconomic results will be an increase in national output by 2.7 per cent; real investment up 4 per cent; consumption up 3 per cent; real wages up 3.5 per cent; aggregate employment**

**up 0.5 per cent; and the real exchange rate up 2 per cent.**

**The report also predicts that there will be sectoral results. Tourism and entertainment will peak 5 per cent higher; there will be a flow-on to transport; communication and finance will peak 3 per cent higher; there will be strong flow-ons to dwellings and construction, particularly with increased usage of e-commerce and the Internet; and wholesale and retail trade contracts will rise by about 1 per cent.**

**The report also predicts the regional impact. A rudimentary analysis, top down, based on known industry impacts, shows growth opportunities for non-metropolitan Australia. Admittedly, although there has been a lot of research in this area, some of these predictions are just that — predictions. They are based on analysis but they are predictions.**

**I turn now to a case study and will review specifically the impact of e-commerce on business. I refer particularly to the Australian automotive industry because it is worth \$4 billion in exports. Almost all of that comes from Victoria. Therefore, the industry is extremely significant to the Victorian economy — and that is why I picked this example.**

**The case study is one that was presented last week at the Federal Automotive Product Managers Convention — that is, all companies involved in the production and manufacture of automotive parts — held in Queensland. The case study on e-commerce in the automotive industry was given by Pricewaterhousecoopers and Ted Van Riel. It demonstrates how quickly this whole area is moving — more quickly than most businesses, and certainly more quickly than the state government.**

**General Motors, Ford and Daimler Chrysler announced on 25 February that they would combine their US\$240 billion, or A\$408 billion, in annual spending on supplies through a single Internet portal. Technology firms involved in the deal included Commerce One and Oracle. The auto makers also plan for the new exchange to be an open Internet marketplace for suppliers, which spend a combined US\$500 billion a year, as well as other auto makers.**

**As I have said, this is a significant industry for Victoria and what happens in that marketplace will impact on it. The automotive companies have come together; they are moving towards electronic business and they are working together. Why? They are doing so for three fundamental reasons: to get shareholder value up, to get new revenue streams, and to take out a range of costs.**

The technology changes and these three fundamental shifts are ensuring the automotive industry is dramatically moving towards electronic commerce.

Pricewaterhousecoopers predicts the market opportunities in this industry from business-to-business Internet commerce is expected to channel sales of A\$4.9 trillion by 2003. Again, Forrester, as quoted by the institute in Canberra, claims that in 1998 there was A\$123 billion globally; today there is A\$600 billion globally; and it is predicted that by 2003 there will be A\$4.9 trillion globally in this industry. That is a lot of money. These industries would not be moving into this field if they did not think there was something in it for them.

The driving forces behind the technology changes and the move to e-commerce are acknowledged as being due to open standards; lower barriers to enter this area; transparency; plenty of bandwidth; reducing costs; improved security; standard catalogue numbering is growing; and information technology system vendors are proliferating.

The automotive companies are looking at reducing costs and the aim is also to enable customers to order a car through the Internet. At the moment in America if you go to a Toyota or Ford web site you can look at the model you want to buy, see it in 3D, choose the colour and the bits you want on it, and in five days it is delivered to your doorstep. You can choose through the Internet all the components and colours. That is bringing down costs significantly and also eliminating the middle man. In addition, it is giving the consumer a lot more say.

Online retailing between business and customers is also making significant changes. It is changing dealer referrals, direct sales, auctions and clubs — that is, buying groups. I am referring in detail to this particular case study because I believe what is happening in this case is cutting-edge stuff and leads the industry in this area. It is only the beginning, and it is important to understand what is motivating an industry with such capital behind it to move in this direction.

Twenty-five per cent of all costs are incurred in distribution and retailing, and the companies concerned are obviously hoping to get rid of that. In America the e-commerce savings per car represent a total reduction of 21 per cent. On a car in America worth US\$10 000 the total reduction is significant. It is also bringing down costs incurred in their procurement cycle. If a company in the industry wishes to order any component — say, an item of stationery like paperclips — it has to go through 10 steps to actually

purchase it. Ford takes 13 steps. Jack Nasser, the president of Ford in America, was also involved in the conference to which I referred earlier. He said it costs Ford US\$100 for every transaction undertaken under the current system. However, the move to a new electronic buying exchange will reduce the cost to US\$10 for each transaction and only three steps will be involved. Therefore, it will mean a reduction of cost, time and labour and it is obviously very efficient. There will also be a cost saving to the supply chain. It is predicted that suppliers will save US\$695.

In response to the question, 'Why develop content for e-commerce?' these companies give the following reasons: content for e-commerce differs from content for printed catalogues; e-commerce requires marketing-oriented content for the general buyer, not expert-oriented content; and the quality of content is a new key differentiator in the market. Therefore, the market is changing and so is the consumer.

The automotive industry also sees a whole range of retail opportunities coming out of that. They will sell unused capacity, refocus on profitable customers, build collaborative strengths, extend the business-to-business back into the supplier base, break down geographical barriers by being global, and expand their customer base.

I have used that very powerful and convincing example of where e-commerce is heading to demonstrate the power of e-commerce and how it will give consumers a choice and save costs.

E-commerce is not a fad that will go away; it will be with us for a very long time and will change so quickly that most of us will not get our head around it easily. It will mean a fundamental shift in how companies do business and how consumers interact with business. It will be one of the biggest challenges for business management in the next decade, and it will also be a very exciting and major challenge for consumers.

I commend the bill to the house.

**Motion agreed to.**

**Read second time.**

*Third reading*

For **Hon. C. C. BROAD** (Minister for Energy and Resources), **Hon. J. M. Madden** (Minister for Sport and Recreation) — By leave, I move:

That this bill be now read a third time.

I thank honourable members for their contributions, particularly those from the opposition who support the bill. I also thank members of the government for their contributions on this occasion.

**Motion agreed to.**

**Read third time.**

*Remaining stages*

**Passed remaining stages.**

## WITNESS PROTECTION (AMENDMENT) BILL

*Introduction and first reading*

**Received from Assembly.**

**Read first time on motion of Hon. J. M. MADDEN  
(Minister for Sport and Recreation).**

## BUSINESS OF THE HOUSE

### Sessional orders

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — I move:

That so much of sessional orders be suspended as would prevent new business being taken after 8.00 p.m. during the sitting of the Council this day.

**Motion agreed to.**

## NATIONAL TAXATION REFORM (FURTHER CONSEQUENTIAL PROVISIONS) BILL

*Second reading*

**Debate resumed from 9 April; motion of  
Hon. C. C. BROAD** (Minister for Energy and Resources).

**Hon. R. M. HALLAM** (Western) — I record that the partnership of Liberal and National parties will not oppose the National Taxation Reform (Further Consequential Provisions) Bill. As the name implies, the bill is a companion bill to the National Taxation Reform (Consequential Provisions) Bill debated earlier in this parliamentary session. The bill is another tranche of the legislative changes required to accommodate the historic agreement executed on 25 June last year and attached by way of schedule to the bill debated earlier in the session. I shall be brief in responding on behalf of the conservative parties. I understand I am the only

speaker on the bill on this side. That is not to be taken as a lack of interest in the bill, but rather a recognition of the fact that the genesis of the bill was canvassed at some length during the course of the previous debate. I see no point in revisiting the issues other than to remind honourable members that what we are talking about is the product of a most extraordinary agreement struck between the states and territories on the one hand and the commonwealth on the other.

As I said, the agreement was attached by way of schedule to the National Taxation Reform (Consequential Provisions) Bill. I make the point that in the future the opposition expects political commentators and history students to refer to the document on many occasions because of its enormous historic significance both of the contemporary arrangements and the operation of the states and territories in the future. What was secured in that breathtaking agreement was an acknowledgment that the arrangements between the states and territories was in need of substantial reform and, in fact, that the parties to the agreement acknowledged the need to pursue ongoing reform of the financial arrangements of state governments.

I spent some time taking the house through the important ramifications of the agreement during the last debate. The objective of the reforms in that historic agreement acknowledged the achievement of a new national taxation system. It is that new system that brings the bill before the chamber today. The bill sets out the result of reforms required at the state level to accommodate the agreement. Before I talk about the specifics of the bill, I make the point that because of the enormity of the changes driven by that agreement it is regrettable that the government is not just unwilling to acknowledge the importance of the agreement but is churlish in its rhetoric in respect of the bill.

The minister's second-reading speech indicates that the government is more concerned to register the fact that it has an obligation to honour the previous government's commitments under the Intergovernmental Agreement on the Reform of Commonwealth-State Relations. I do not think anyone in the chamber, whatever their political persuasion, would argue that the achievement in the breakthrough of the intergovernmental agreement will not produce enormous advantages for all states across the nation. It is a massive breakthrough. I remind the house that the last time I discussed the issue I referred to the frustration of representatives from states and territories having to go each year to Canberra to bid for a reasonable share of the commonwealth's financial cake. The agreement mentions that state and territory governments will receive revenue from a more robust

taxation base that can be expected to grow over time. I do not understand why the government is churlish when it should recognise the importance of the breakthrough.

The agreement also acknowledges that the objective is to seek an improvement in the financial position of all state and territory governments. Yet we have the handdog response from the Labor government complaining about the ramifications of the goods and services tax (GST). The government would have us believe that it would prefer to go back to the outdated taxation system based on a wholesale sales tax that may have been appropriate when it was introduced in the 1930s but is out of date now resulting in an extraordinary reliance on income tax which has the by-product of allowing those well positioned to find their way through it. There is a compelling argument for the need for change in terms of equity.

The bill goes to five specific areas that require changes to the Victorian statutes to accommodate the GST. I commend whoever it was for the preparation of the explanatory memorandum because it is readable, instructive, set out in laymen's terms and goes to the effect of the changes. The first change is to the Accident Compensation Act. The provision goes to the complication that where a penalty is imposed on employers for a breach of the act in certain circumstances that penalty is expressed as an additional premium. In the normal situation that would attract the GST, so the amendment describes it as a penalty, in which case it is exempt from GST.

The second change relates to moneys prepaid for funerals. The complication in this case relates to a section in the Funerals (Pre-Paid Money) Act which prescribes the way any prepayments must be invested. That would also prevent the person who receives the prepayment to remit the GST so the amendments identifies the GST involved and provide an exemption from the GST in respect of the investment requirements.

The third change goes to the regulation of gaming. The National Taxation Reform (Consequential Provisions) Bill contained amendments in respect of Tattersalls and Tattslotto. This bill contains amendments to ensure that revenue neutrality applies to the casino. That is achieved by introducing a sixth deed of variation which is a contract between the operators of the casino on the one hand and the state government on the other. The deed sets out the way in which the casino is given state taxation credits equivalent to the GST paid by the casino on gambling activity. The provision captures the commitment given in advance that the introduction of

the GST would see the impact of gaming taxes netted off so they would be revenue neutral.

I note with interest that the bill amends the Interactive Gaming (Player Protection) Act to reduce the impact of the GST on those activities. I understand those measures also meet the government's commitment to revenue neutrality.

The background to the changes to the Racing Act is that stamp duty on bookmakers' statements was abolished by the National Taxation Reform (Consequential Provisions) Act. However, because part of the stamp duty previously charged had been hypothecated to certain funds to promote the cause of the bookmaking profession, the bill provides for a replacement bookmaker's licence levy, to be administered by the racing industry following consultation with the Victorian Bookmakers Association. After being assured that the major players are relaxed about the new system, the opposition is prepared to support those changes as well.

The bill also deals with premiums payable under the Transport Accident Act. I note that the bill imposes a 5 per cent increase in premiums, which will apply from 1 July when the GST comes into effect. The opposition is not in a position to say whether that 5 per cent increase will on the one hand accommodate the 10 per cent GST and on the other hand effectively claw back the wholesale sales tax that will be abolished on the same day. However, the opposition has again been assured that the calculations that determine the rate of increase are fair. It has been told that they are by and large consistent with those in the other states. Although the opposition is not in a position to do the computations, it is prepared to rely on the assurances it has been given and therefore offers no objection to the 5 per cent increase in premiums.

Finally, the bill provides for the required changes to the fees that appear in Victorian statutes. The National Taxation Reform (Consequential Provisions) Bill dealt with changes to fees by regulation. However, some were not caught by those provisions. The bill sets out the circumstances in which fees now need to be adjusted. They include increases imposed by cemetery trusts and by legal practitioners with regard to the Fidelity Fund and the Legal Practice Act, as well as increases in the ceilings on the fees provided for in the Trustee Companies Act.

The opposition is not in a position to argue with the calculations supplied and the assurances given. It is not even in a position to judge whether further changes will be required to accommodate the earlier agreement,

although it suspects there will. The opposition is not in a position to check because it does not have control of the management of the public purse. However, it suspects that over time further changes will be necessary, particularly given the schedule attached to the previous taxation reform bill, which acknowledges that:

All parties to the agreement —

that is, all the jurisdictions —

acknowledge the need to pursue ongoing reform of commonwealth–state financial relations.

The opposition suspects the house will debate similar legislation on future occasions, that the bill is not expected to be the be-all and end-all of the changes and that the tax law will evolve over time. On that basis the opposition expects to be debating legislation of a similar ilk in the future.

However, the opposition is assured that the legislative changes accommodate the commitments given under the historic commonwealth–state agreement that was executed in June last year. That agreement was welcomed by the former government because of its political significance and the consequences it will have for the national interest. Given all those assurances, I repeat that the opposition will not oppose the bill.

**Hon. S. M. NGUYEN** (Melbourne West) — I am delighted to join those honourable members who support the National Taxation Reform (Further Consequential Provisions) Bill.

The tax system will change dramatically from 1 July 2000. The government knows — as does every Australian — that the goods and services tax (GST) will have a major impact not only on all income earners but also on every member of Australian society. The state government has to design legislation to fill the gaps created by the GST.

The GST was supported by the Kennett government, and now the Bracks government will continue what the Kennett government started. The Bracks government does not support the introduction of a goods and services tax. Many other government leaders, including the premiers of New South Wales and Queensland, also do not support the GST. The goods and services tax is a complicated tax for taxpayers and business people. Australians are trying to guess what will happen to the economy, whether the daily cost of living will be more expensive and whether they will be better off.

Mr Costello, the federal Treasurer, and Mr Howard, the Prime Minister, are supporters of the GST, but many

Australians believe it will be a nightmare, with an increase of 10 per cent imposed on everything we do. We have all seen the television images of federal members of Parliament debating the GST, discussing which goods will be subject to the tax and which will not. People are asking questions like, ‘Will the cost of everything we buy from supermarkets be increased by 10 per cent?’ and ‘Will the price of every book we buy from a bookstore increase by 10 per cent?’.

Members of the community — and small business people in particular — are confused. They do not know what will be exempt from the GST and what will cost less. Small business people are frightened because they do not know what to do. They have to change their whole taxation systems; they have to have a registered Australian Business Number instead of an Australian Company Number before 31 May, so they do not have long to go.

The budget brought down by Premier Bracks is clearly a pro-business budget. The government is not walking away from the taxation gaps created by the Prime Minister. Premier Bracks has introduced a budget that will benefit the Victorian business community.

There will be a \$400-million business tax cut over the next four years, so that is good news. From July 2001 business tax will be cut by \$100 million, increasing to \$200 million per year by July 2003. We know Victorian business will not get any benefit from the Howard government goods and services tax until 2007–08 so it will take a long time for the Victorian community to benefit. The government must therefore reduce the tax and promote the growth of Victorian business. How will it do so? I refer to an article in the *Sunday Herald Sun* of 7 May about buyers of Avonwood Homes. Under the headline ‘GST added to homes nightmare’ it states:

Avonwood home buyers may face a \$4 million GST bill to get their unfinished houses completed.

The people in industry know they will be worse off because of the GST. The market is not confident because people are frightened of the 10 per cent extra cost. At the same time, the interest rate has increased. The building industry was booming two or three years ago when there was a low interest rate but now the interest rate is increasing and at the same time there will be a 10 per cent GST; so the market is slowing down. A real estate agent told me the market is not as strong as it was six months ago because people were frightened about the GST and feel that the costs will be passed on to customers.

An article in the *Herald Sun* of Saturday 6 May headed 'Building industry hurting' states:

The building industry is facing its biggest slump since the early 1980s because of rising interest rates and the end of GST demand.

People were rushing to finish the work before the GST but now most of the work is finished and the market has slowed down. That is the opinion of the people in the building industry and the people who invest in the housing markets.

Turning now to the flow on from the GST, the commonwealth wholesale sales tax will cease from 1 July 2000. During the current autumn session the Victorian government introduced two bills to deal with changes made necessary by the GST. The first was the National Tax Reform (Consequential Provisions) Bill, which was passed in April. The second was the First Home Owner Grant Bill, which was also passed in April. Today honourable members are debating the National Tax Reform (Further Consequential Provisions) Bill, which is required to complete legislative amendments flowing from the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations (IGA).

Obligations under the IGA include the introduction of a state tax credit scheme for the casino to complete the adjustment of gambling tax arrangements to account for the impact of the GST on gambling operators. They also include a reduction in the tax rate for interactive gaming.

Consequential amendments, which Victoria believes are necessary to deal with the impact of the GST, include amendments to the accident compensation arrangements to ensure that penalties applied to employers in certain circumstances will not be subject to GST.

Other consequential amendments are legislative arrangements to enable funeral directors to deduct and remit their GST liability in respect of prepaid funeral contracts and not at the same time have to invest the amount of GST payable. The legislation amends the Tattersall Consultations Act to provide for the amounts subscribed in consultations such as lotteries or soccer football pools not to include an amount approved by the Treasurer in respect of commissions payable to operators.

The Transport Accident Commission Act will be amended to provide for an increase of TAC's transport accident charge in 2000–01 of 5 per cent as a result of the impact of the GST and the abolition of the

wholesale sales tax. There is also provision for the TAC premium year 2001–02 to be based on an increase of up to the rise in the Melbourne consumer price index between the December quarters of 1999 and 2000.

I would also like to mention the increases of 10 per cent in the ceilings applying to two legal fees and certain fees relating to trustees, and provisions for increases in cemetery fees of up to 10 per cent. The two legal fees are the maximum levy payable by legal practitioners in relation to the fidelity fund and the maximum fee that can be subscribed for lodging a dispute with the registrar of the Legal Profession Tribunal.

The bill amends the Racing Act through the introduction of the bookmaker's licence levy. Bookmaking development funds will be established under the auspices of the racing control organisations. Revenue from the levy will be extended to the non-metropolitan and metropolitan racing industry and to the bookmaking development funds by the racing control bodies under guidelines approved by the Minister for Racing.

The goods and services tax is a big topic. I will not talk much about the GST impact on fees and services. The community is aware of the extra costs it faces and I have raised a number of matters in Parliament about local government services. The cost of those services will increase and the community is not confused about the cost of using services because the GST applies to goods and services.

In conclusion, the Bracks government has introduced a pro-business budget to help the Victorian business sector with low taxes and to encourage the businesses of Victoria to grow. I commend the bill to the house.

**Hon. JENNY MIKAKOS** (Jika Jika) — I support the National Taxation Reform (Further Consequential Provisions) Bill, which is part of a package. It follows the National Taxation Reform (Consequential Amendments) Bill passed by this house in April and seeks to make a number of consequential amendments. They are necessary because the goods and services tax will be introduced in July. The bill implements a number of commitments on the adjustment of gambling taxes that were included in the Intergovernmental Agreement on the Reform of Commonwealth–State Relations signed by the previous Premier in June last year.

As the Honourable Sang Nguyen indicated, the Bracks government does not support the GST but it is obligated to make a number of legislative amendments as a result of the intergovernmental agreement. In

addition, further consequential amendments need to be introduced as a result of the imminent commencement of the GST. While the Honourable Roger Hallam spoke on this bill I noted his lack of enthusiasm for it which I thought was most curious given that the opposition supports the introduction of the GST. I note also the current absence of members of the opposition from the house. That is quite surprising, given their stated support in the past for the GST. I assume that that support continues despite the numerous examples arising even before the GST is introduced of the adverse consequences for Victoria, particularly in the housing industry.

I will be brief and refrain from making detailed comments about the bill as the Honourable Sang Nguyen has extensively covered the provisions of the legislation. I will focus on some of the key provisions of the bill, particularly those relating to the introduction of the state tax credit scheme for the Melbourne casino and the proposed reduction in the tax rate for interactive gaming.

As I said at the outset, the government is obligated to introduce a number of measures resulting from the intergovernmental agreement, and one of those obligations relates to the adjustment of the gambling tax on gaming operators. The bill proposes that there be a deed of variation to the management agreement between the Melbourne casino and the government so that the casino is not effectively penalised under the state tax regime for the goods and services tax that it pays to the federal government. In addition, clause 10 proposes reductions in the tax rate that will apply to interactive gaming activities from 50 per cent to 40.91 per cent. That reduction is equivalent to the amount of GST on gambling and will commence when the Interactive Gaming (Player Protection) Act is proclaimed.

The bill also proposes a number of other consequential amendments to legislation as a result of the introduction of the GST. The key proposed amendments relate to changes to the Transport Accident Act 1986 which will see an increase in the premium for 2000–01 of 5 per cent plus consumer price index. The increase in the Transport Accident Commission's premium is less than the full 10 per cent because of embedded tax savings flowing on to the TAC. I note also that there are additional costs being incurred by the TAC associated with claims that it will pay in the future, for which it has not received increased premiums to reflect the GST liability. The Transport Accident Commission proposes to cover those additional costs through its reserves and not pass them on to Victorian motorists, a proposal that I favour. I note that other states and territories have

already increased their transport accident premiums, mostly by 5 per cent, and that the increase has not prompted any concern from the Australian Consumer and Competition Commission.

Another aspect of the bill relates to lotteries or soccer football pools. To protect the minimum amount of prizes paid under such lotteries, and also to avoid erosion of the state's tax base, it is proposed that the GST component on the commission of such lotteries will be excluded from the calculation of the commission for the purposes of reducing the amount subscribed for those tickets.

Another key provision in the bill relates to changes to the racing industry. I note the Honourable Rob Hulls, the Minister for Racing, has made numerous statements in recent months about the government establishing a bookmaking development fund that will be under the control of the racing control bodies. A new levy, which will not exceed 1 per cent of the bookmakers' betting turnover, will be extended to metropolitan racecourses and non-metropolitan racecourses. The alterations to the Racing Act relate to the abolition as of 3 July of the bookmakers' stamp duty. It is proposed that the new levy will be used as a means to promote the Victorian racing industry.

Another key aspect of the bill relates to clause 3 which seeks to amend the Accident Compensation Act 1985. Currently, if an employer fails to forward claims for compensation in the prescribed time, the Victorian Workcover Authority is able to impose additional premiums on such recalcitrant employers. It is proposed that the authority will be able to impose a penalty rather than additional premiums in such circumstances. The penalty will not be subject to the GST, whereas increased premiums will be subject to the GST.

The Honourable Sang Nguyen has covered the other provisions of the bill with a more than adequate degree of extensive detail. In conclusion, I restate that the Bracks government does not support the introduction of the GST. The various legislative changes proposed by the bill arise as a direct result of the soon to commence GST and also seek to meet the government's obligations under the intergovernmental agreement. On that basis I support the legislation.

**Hon. P. R. HALL** (Gippsland) — I am pleased to support the National Taxation Reform (Further Consequential Provisions) Bill. As shadow Minister for Racing I refer to part 5 of the bill which amends the Racing Act 1958. Part 5 contains some complicated amendments but it really does one simple thing — that is, it abolishes the turnover tax. Currently, there is a

2 per cent tax on turnover for bookmakers. The bill proposes a 1 per cent levy which will be returned to the industry and used to advance the bookmaking profession. That 1 per cent levy will now be paid into a fund called the bookmakers' development fund.

I understand the current 2 per cent turnover tax on bookmakers reaps revenue of about \$5 million a year for the government. It should be recognised that the state is forgoing direct revenue of about \$5 million and approximately half of that will be returned to the industry, so an extra \$2.5 million will be returned to the industry to advance matters related to bookmaking.

As the Honourable Jenny Mikakos said, country racing is expected to be a major beneficiary of the new stream of funds, and the opposition welcomes that. I understand from a ministerial media release of the Minister for Racing of 1 March that some of the initiatives likely to be funded from the scheme include the provision of racecourse facilities for bookmaking such as betting ring shelters, training and professional development programs for bookmakers, particularly to encourage participation by young people and women, business planning and research for bookmaking, and marketing campaigns, promoting bookmaking in general and helping race patrons understand their service.

If country race organisations show initiative they may be beneficiaries of the fund. I welcome that because country racing is strong. Only last night in this place I spoke of two race organisations in my province, the Warragul Harness Racing Club and the Warragul Greyhound Club, which are demonstrating initiative by improving facilities at their local venues.

The opposition has spoken to the Victoria Racing Club, the Victorian Harness Racing Board and the Greyhound Racing Control Board about this provision. Each of those codes of racing believe the initiative is worth while and beneficial for the industry. The opposition welcomes the provision contained in part 5 of the bill. I add my comments to those of the Honourable Roger Hallam in supporting the bill.

**Motion agreed to.**

**Read second time.**

*Third reading*

**Hon. M. M. GOULD** (Minister for Industrial Relations) — By leave, I move:

That this bill be now read a third time.

I thank the Honourables Roger Hallam, Jenny Mikakos and Peter Hall for their support of the bill.

**Motion agreed to.**

**Read third time.**

*Remaining stages*

**Passed remaining stages.**

**Sitting suspended 6.24 p.m. until 8.03 p.m.**

**VOCATIONAL EDUCATION AND TRAINING (COUNCIL MEMBERSHIP) BILL**

*Second reading*

**Debate resumed from 9 May; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).**

**Hon. E. J. POWELL** (North Eastern) — I am pleased to speak on the Vocational Education and Training (Council Membership) Bill. It is a special bill to me because, as convenor of a policy committee for tertiary education and training, it is the first bill that has come to the house in my area of responsibility. It is also the first bill the Minister for Post Compulsory Education, Training and Employment in another place, the Honourable Lynne Kosky, has introduced.

The opposition will not oppose the bill, but I am disappointed that it is so small and mean spirited. It is mean spirited because its main purposes are, firstly, to make members of Parliament ineligible to hold office as members of technical and further education (TAFE) institute councils and, secondly, to remove those members of Parliament who are currently members of councils. That is the essence of the first of the five clauses in the bill. The other four clauses make only consequential and statute law revision amendments to the Vocational Education and Training Act.

There are 14 TAFE institutes in Victoria — 7 in metropolitan Melbourne and 7 in regional Victoria. I have the honour to have two huge, excellent TAFEs in my electorate of North Eastern Province: the Goulburn Ovens Institute of TAFE and the Wodonga Institute of TAFE. I have had much to do with both of them over the years, and I hope I will continue to do so.

Victorian TAFE institutes operate in accordance with the Vocational Education and Training Act 1990 and they are responsible to the minister. Council

membership is described in section 28 of the act as follows:

- (1) An order in council under section 24 must provide for a council consisting of not less than 9 and not more than 15 persons of whom —
  - (a) not less than one half must be appointed by the minister;
  - (b) one must be a staff member of the college elected by staff of the college;
  - (c) one must be a student of the college elected by students of the college;
  - (d) one must be the director of the college;
  - (e) the remaining members must be persons with knowledge of or experience in the community or any industry served by the college or in adult, community and further education or with special skills or knowledge relevant to the council appointed by the council by co-option.

The bill is not necessary. The minister already appoints no less than half the members of councils; she already has the discretion not to appoint members of Parliament. It is important that that position be understood. There is no specific category for members of Parliament, and there is no reason for a member of Parliament either to be or not be appointed. No such compulsory inclusion exists.

At a briefing with the department on 27 April this year opposition members asked the department why the bill is necessary. We were told members of Parliament were being removed from TAFE councils because they could become a forum for party politics. The second-reading speech reiterates that view:

In the environment in which councils currently operate this risk is simply not acceptable.

... it is inappropriate, as a matter of principle, for members to occupy positions on TAFE institute councils.

When asked at the briefing whether there had been any instances of a complaint being made about a member of Parliament using party politics, departmental representatives said they did not believe there had been; in fact neither the current nor the former minister have had to intervene. Therefore, the argument that party politics must be removed from TAFE councils does not stack up. No minister has had to make a determination that a member has acted inappropriately.

**Hon. A. P. Olexander** — It is mean spirited.

**Hon. E. J. POWELL** — It is mean spirited. If there were any impropriety by a member of Parliament or

any other member of a council, section 29(3) of the act provides that:

The Governor in Council may remove a member appointed by the minister under section 28(1)(a) from office at any time.

Provision is already made for the Governor in Council to remove anyone acting with any impropriety.

Four members of Parliament are currently serving on TAFE councils in Victoria: the Honourable Peter Hall who represents Gippsland Province is on the council of the Central Gippsland Institute of TAFE, and his term of office expires in 12 months; the Honourable Cameron Boardman who represents Chelsea Province is on the council of the Chisholm Institute of TAFE, and his term expires in August 2002; Mr Garry Spry, the honourable member for Bellarine in the other place, is on the council of the Gordon Institute of TAFE, and his term expires in January 2002; and Mr Andrew McIntosh, the honourable member for Kew in the other place is on the council of the Box Hill Institute of TAFE, and his term expires in March 2001.

The second-reading speech made in the Legislative Assembly stated incorrectly that three members of Parliament are on TAFE institute councils. I notice that the second-reading speech delivered in the Legislative Council has been corrected, stating simply that members of Parliament are members of TAFE institute councils. I can understand how the mistake might have come about. Mr Andrew McIntosh is a good member of the community and was a member of the council before he became a member of Parliament, so he may have been overlooked.

Some excellent members of Parliament have served on TAFE councils. I am sure the Honourables Peter Hall and Cameron Boardman will be speaking on the bill. They would have been disappointed about the decision because they have told me they enjoyed their time on the councils. They would have made great contributions to those councils in the future and would not have been party political. I am sure that at all stages they would have acted professionally and responsibly.

Many other members of Parliament have served on the councils over the years, and I shall name just one: the honourable member for Murray Valley in the other place, Mr Ken Jasper, whose electorate is in the province I represent. He served on the Wangaratta TAFE college council and is an excellent local member. I am sure he would also be disappointed to know that now, just because you are a member of Parliament, you can no longer be a member of a TAFE council.

**Hon. P. R. Hall** — Pathetic isn't it?

**Hon. E. J. POWELL** — It is pathetic. As I said earlier, there are two TAFE institutes in my electorate: the Goulburn Ovens Institute of TAFE and the Wodonga Institute of TAFE. The Goulburn Ovens institute was established after the review of TAFE institutes by the former Minister for Tertiary Education and Training, the Honourable Phil Honeywood. There were formerly three TAFE colleges in my electorate — the Goulburn Valley Institute of TAFE, the Wangaratta Institute of TAFE and the Wodonga Institute of TAFE. There was a review of councils and I had the opportunity of travelling around with former Minister Honeywood, talking to them and seeing how they wanted the provision of tertiary education services to the community to proceed into the next century.

After that review in 1996 there was an amalgamation or merger of the Goulburn Valley and Wangaratta TAFE institutes. The Wodonga institute remained a stand-alone institute. Because it also services Albury it was believed that institute had probably a big enough area to cater for and was able to service the businesses in the region. We were shown a video in which representatives of the Wodonga TAFE institute were speaking to businesses, which were very pleased with the institute and accepted it as being a reflective service provider for the industries of the town. It is important that TAFE institutes are providers of education services to their communities.

I read the annual reports tabled last week of the councils in the electorate I represent. They include the Goulburn–Ovens and Wodonga institutes. I congratulate them on the great work they do in their communities and the level of professionalism they provide for local industries.

The minister's second-reading speech refers to the key roles of TAFE institute councils in the provision of training. In rural Victoria in particular they play a pivotal role in providing skills to the industries in their regions. Many local businesses use their local TAFE institutes to upskill their staff, retrain staff in different work practices and formalise the existing skills of staff.

I was chair of the Northern Industry Education Board, which was set up in the four regions in my province specifically to examine the provision of education and training for businesses. The board found there is and will in future be a skills shortage in North Eastern Province in middle management development and some trade skills. Many industries such as processing industries and all sorts of businesses need those skills. It was found that the local TAFE would be able to

provide those skills, so that can be done locally rather than people having to go to Melbourne or elsewhere to formalise their existing skills. As I said the board is working with TAFE colleges, the university and schools to address the linking of service providers with businesses.

I place on record my congratulations to Peter Ryan, the chief executive officer of the Goulburn–Ovens Institute of TAFE. He is not the Peter Ryan who is the Leader of the National Party in another place; they just go by the same name. His vision and commitment to that TAFE institute has been enormous, as has been the commitment of the council president, Jeff Martin, the council and the staff.

The major campuses of the Goulburn–Ovens institute are at Seymour, Shepparton and Wangaratta, and it has an office at Bright. Also, a new campus was set up about two years ago at Benalla. I attended the opening of the new Benalla campus along with the Honourable Patrick McNamara, the former member for Benalla, and the Honourable Lou Lieberman, the federal member for Indi. I should mention also that Bill Sykes, the National Party candidate for the Benalla electorate, held a successful public forum at the Benalla campus recently. I am sure all honourable members wish him well on Saturday.

I place on record some of the comments made by the president of the Goulburn Ovens Institute of TAFE in his report to the minister published in the institute's annual report for 1999. He states:

1999 proved to be a very strong year for Goulburn Ovens Institute of TAFE. In operating terms we achieved a \$1.474 million surplus — above the budgeted \$1 million surplus targeted by council and well in excess of that achieved in 1998 (before abnormals and unfunded depreciation). This was a very pleasing result and more than supports our \$1 million annual non-grant related reinvestment strategy set in our strategic plan.

A number of TAFE institutes are well cashed up and serve their communities very well. The council president also states:

Through the year we celebrated the culmination of 15 years of exceptional service to TAFE governance in the north-east by Nanette Green.

Nanette Green was president of Wangaratta TAFE and a local government commissioner. She is currently the chairman of the board of management of Wangaratta hospital. She is committed to service provision in that region.

I congratulate the president of the Wodonga Institute of TAFE, Tony Brandt, and former president, Ralph

Clark, who retired last year and provided excellent service to the community and more importantly for the institute.

I also congratulate the council members and staff, as well as the director of the institute, Adrian Marron, on winning the Australian TAFE Marketing Association award as TAFE marketers of the year, an important award of which I am sure they are proud. It shows the calibre of some of the rural councils and TAFE institutes. The Wodonga institute has campuses at Wodonga, Corryong and Mount Beauty; it also services Albury. The TAFE colleges in my electorate have multiple campuses and serve a large area of country Victoria.

Together with the honourable member for Benambra in another place, Tony Plowman, and the mayor of the Rural City of Wodonga I recently attended the graduation awards for students at the Wodonga Institute of TAFE. That ceremony showed how much TAFE is valued and respected in the community. In rural Victoria the members of Parliament have a close association with their TAFE institutes and will continue to do so. The amendments in the bill will not stop any political interference or involvement.

TAFE institute councils comprise people with many different skills and council membership is voluntary. People who want to be on councils do so because they want to give back to the community where they feel they have interests. Some members of the institute council say it is unfortunate that TAFE council membership is unpaid because often when community leaders are looking for boards to contribute to they may look at boards where they can be remunerated for that service. Members of TAFE institute councils are there because they want to be there, not just because they are paid to be there.

The amendments in the bill must make TAFE councils about the only organisations that exclude members on the basis of occupation. That constitutes discrimination by occupation. The bill does not exclude members of political parties, electorate officers, members of a union or members of federal Parliament — so there will still be political involvement. If federal members of Parliament, members of unions and the like are allowed to be council members, there will still be political involvement. Only members of the Victorian Parliament are excluded from TAFE council membership. There are no exclusion clauses in the legislation of South Australia, Western Australia, Queensland or New South Wales — although currently there are no members of Parliament serving on TAFE councils in New South Wales.

Local government is also represented on TAFE institute councils — for example, by the chief executive officer of the Rural City of Wodonga, Peter Marshall, and the chief executive officer of the Rural City of Wangaratta, Mr Graeme Emonson.

I hope they are not seen as party political just because they are members of local government. We do not politicise either our local government or our boards in country Victoria. People are elected because of the skills, experience and expertise they contribute.

There was some discussion in the lower house about this bill being similar to the former coalition government's 1997 University Acts (Further Amendment) Bill. It is not. That bill required members of Parliament to serve on university councils. The provision was removed to allow universities to have a choice. I know that to be a fact, because I was a parliamentary representative on the La Trobe University council.

When the bill providing for the removal of parliamentarians from university councils was enacted I was asked by La Trobe University whether I would like to stay on the university council as a community member. I declined because I thought my remaining on the council may be an embarrassment to the university. The university saw no problem in including a member of Parliament on its council.

Clause 5 substitutes the word 'apprentices' for 'trainees' and makes some other minor consequential amendments. Apprentices attending TAFE colleges are a success story. I was involved in the management side of our family auto-electrical business for 17 years — we still have the business but I am not as involved as I was — during which time I experienced the absolute enjoyment of putting about five apprentices through our business. It was great to see young people from the age of 16 grow and mature while they learnt skills and became fully qualified auto-electricians. We used to have to send our apprentices to Melbourne to be trained, but local TAFE colleges can now meet the needs of those apprentices and trainees. It is really important that apprentices and trainees can get their qualifications locally.

One of the problems our business had to face was that if our apprentices had to attend college in Melbourne I had to find Melbourne accommodation for them, which was usually difficult. Sometimes they stayed at a pub or hotel, and sometimes at the YMCA. Nowadays, instead of their having to spend a week or two in Melbourne, the local TAFE colleges can provide them with training. It is really important to keep our young people

in the country and enable them to improve their skills and gain qualifications.

The opposition's tertiary education and training policy committee discussed this bill at length and decided not to oppose it. One of the reasons for not opposing the bill was that all the TAFE council presidents received a letter from the minister seeking their comments on the removal of members of Parliament from TAFE institute councils. The responses were to be made directly to the minister. I applaud the minister for consulting the council presidents. I believe many of the TAFE council presidents supported the government's proposal, but some did not respond. Although a significant number of TAFE councils wanted parliamentarians to remain as council members, it was decided that if the opposition tried to protect the membership of the four members of Parliament who are currently on TAFE councils it may cause some embarrassment for those TAFE institutes, which members of the opposition would not want to do. Therefore, the opposition does not oppose the bill. I commend it to the house.

**Hon. T. C. THEOPHANOUS** (Jika Jika) — I support the Vocational Education and Training (Council Membership) Bill on the basis of a number of important principles. One of the important differences between this government and the previous government is that this government is concerned with ensuring there is no conflict of interest and that members of Parliament carry out their duties appropriately and are not able to use processes that are in place within independent organisations for their own purposes.

The bill has four clauses, and to understand something about it there is a need to talk about the nature of the Victorian technical and further education institute network. Victoria has 14 TAFE institutes. The first thing one should say is that the commitment to TAFE of the previous government was wanting by a substantial margin. Commitment is not measured by whether members attend council meetings but by the extent of funding governments provide to such organisations. On coming to government the Labor Party found that TAFE institutes were in a mess. It was necessary for the incoming government to make an immediate injection of \$10 million to the TAFE system just to keep TAFE institutes in Victoria financially viable.

**Hon. B. C. Boardman** interjected.

**Hon. T. C. THEOPHANOUS** — I am not talking about \$10 million for new programs or projects.

**Hon. B. C. Boardman** — Tell the truth.

**Hon. T. C. THEOPHANOUS** — You do not like the truth.

**The PRESIDENT** — Order! I remind Mr Theophanous of the limited nature of the bill. The purpose of the bill is to provide that members of Parliament are ineligible to hold office as members of TAFE college councils and to remove those members of Parliament who are members of TAFE college councils. It does not enable honourable members to have a running debate on the finances of TAFE colleges. I ask the honourable member to stick to the bill.

**Hon. T. C. THEOPHANOUS** — The bill relates to the composition of the boards of TAFE colleges. The point I was making in a general sense was that commitment is not measured by members being on the boards of TAFE councils but by the funding and other support of organisations provided by the government.

I have no doubt that the Honourables Peter Hall and Cameron Boardman, and the honourable members for Kew and Bellarine in the other place, did an outstanding job within the constraints of the support provided by a government that had no real commitment to TAFE. I am sure they tried very hard to support their particular institutions, but the measure of support is not whether one is on the board of a TAFE college but the extent to which funding and support is provided by a government.

**The PRESIDENT** — Order! That is not what the bill is about. I do not want the honourable member to ignore the ruling I have already given. The bill indicates why members of Parliament should not be on TAFE boards and removes those who are already on the boards. That is it.

**Hon. T. C. THEOPHANOUS** — I have not heard opposition members take points of order.

**The PRESIDENT** — Order! I have given many rulings on this issue.

**Hon. T. C. THEOPHANOUS** — You should have done this when he made his brummy remarks.

**The PRESIDENT** — Order! The honourable member has a direction from the Chair and I suggest he stick to it.

**Hon. T. C. THEOPHANOUS** — Thank you, Mr President, for your ruling. The TAFE institutes are governed by councils established under the act. The councils consist of between 9 and 15 members, depending on the particular institute. At least half of the

members of the boards are appointed by the relevant minister, and of those at least half must have knowledge of or experience in an industry in which the institute provides training. One member of the council must be a staff member of the institute elected by the staff, one must be a student elected by students and one is the institute director. The remainder are coopted by the council on the basis of relevant skills or expertise.

The minister is required to consider the council's recommendations when making appointments to a TAFE institute's council. The institute director is employed by the council and is responsible for the day-to-day administration and management of the institute in accordance with policies and directions set by the council. The director, on behalf of the council, employs other institute staff.

**Hon. Bill Forwood** — Are you going to read the whole speech?

**Hon. T. C. THEOPHANOUS** — You want a comprehensive contribution on the bill. That is what the President wants. TAFE institutes have more than 300 000 enrolments and last year delivered more than 70 million student contact hours. In fact, total enrolments were over 550 000. It is appropriate when talking about TAFE and the management of TAFE institutes to recognise that the role of members of Parliament who might be sitting on TAFE boards is limited. I have explained that the composition of TAFE boards is based in the main on a representative basis — students, staff members and people who have relevant expertise.

Membership of a TAFE council is not based simply on being a member of Parliament.

**Hon. P. R. Hall** — We agree with that.

**Hon. T. C. THEOPHANOUS** — As Mr Hall agrees I suppose that is one of the reasons he is supporting the bill.

**Hon. P. R. Hall** — You will find out what I have to say in a minute. Sit down and I will start telling you.

**Hon. T. C. THEOPHANOUS** — The roles and responsibilities of the TAFE director and other institution staff are well defined, as they must be. Properly documented reporting, accountability and audit mechanisms are in place. The government is committed to restoring the quality and viability of the TAFE system and having truly independent boards that are free from any political interference. I am not suggesting that previous members did not do a significant job as member of those TAFE boards.

**Hon. B. C. Boardman** — Why are we being sacked, then?

**Hon. T. C. THEOPHANOUS** — It is partly about taking temptation out of a member's hands. I do not have any evidence of any improper conduct by Mr Boardman. I would not venture to say anything like that unless I had evidence and in the absence of that evidence I have to give him the benefit of the doubt. However, when one is a member of a TAFE board and one is given confidential, sensitive information that one could use against one's political opponents there is a temptation to use that information.

**Hon. P. R. Hall** — The minister would exercise her powers under section 29(2)(c) of the Vocational Education and Training Act.

**Hon. T. C. THEOPHANOUS** — I am sure Mr Hall would have the strength of character to not use such information in a politically advantageous way. However, could Mr Hall guarantee that every one of his colleagues would have the same level of principle and commitment to not doing that kind of thing? One has to wonder if it is not more appropriate to take that temptation away so members of Parliament cannot come across information or documents that they might think they could use.

**Hon. P. R. Hall** — Under section 29 of the act you can do that now.

**Hon. T. C. THEOPHANOUS** — Many acts of Parliament address such temptation. Some acts prescribe that members of Parliament must not make public information that might be available to parliamentary committees. As members would know, if it happened it would not be the first time politically sensitive material from a parliamentary committee found its way into the public arena. Mr Forwood raised that issue at a meeting of the Public Accounts and Estimates Committee. Therefore, the question of whether an act of Parliament is a constraint when it prescribes what one is not supposed to do is a moot point.

**Hon. P. R. Hall** interjected.

**Hon. T. C. THEOPHANOUS** — There would be a far better guarantee of that kind of thing not happening, Mr Hall, if temptation were not in the way — that is, if there were no members of Parliament on those boards and if the boards were allowed to get on with their jobs as independent organisations charged with delivering results.

The present government is committed not only to having effective, independent organisations delivering technical and further education to the people of Victoria but also to the notion that those organisations must be given the resources they need to provide the best outcomes.

I urge members of the opposition not to take the matter personally. After all, although, as Mr Boardman put it, he will get sacked, it also means that no member of Parliament — government or opposition — will be able to sit on TAFE boards. The bill treats all members of Parliament in exactly the same way. That is fair and equitable.

It would be far better if opposition members did not take the matter personally but instead recognised the principle underlying the bill, which is about ensuring TAFE councils are genuinely independent and can go about their business without being concerned about the presence of members of Parliament, with all the dynamics that they can bring to council meetings.

I urge all honourable members to support the legislation. I thank the four opposition members who will no longer be serving on TAFE councils for their efforts in the past.

**Hon. P. R. HALL** (Gippsland) — If I am not to take personal offence to the bill, as the Honourable Theo Theophanous advises me, I will expect a letter from the Minister for Post Compulsory Education, Training and Employment thanking me for my contribution to my local technical and further education (TAFE) college over the years. That would demonstrate whether or not I should take the proposals personally.

**Hon. D. G. Hadden** interjected.

**Hon. P. R. HALL** — I would be happy to accept a silver tray from the Honourable Dianne Hadden.

I do not support the bill. Reluctantly, however, I do not oppose it, and I will come to my reasons for that later. I do not support the bill because it is a pathetic piece of legislation. The adjectives I thought of to describe the bill include petty, illogical, vindictive, discriminatory and hypocritical. It is the worst piece of legislation to come through the Parliament during my time in the chamber. Its sole purpose is to remove from TAFE councils the four current members of Parliament serving on them and to ensure that in future no other Victorian member of Parliament can serve on a Victorian TAFE council.

As my colleague the Honourable Jeanette Powell said, no other Australian state discriminates against its

members of Parliament in that way. There are no other examples of state boards, councils or committees that specifically discriminate against members of Parliament by excluding them from serving as members. The government claims to be the champion of antidiscrimination — how hypocritical that is!

The opposition has not been given any logical reason for the bill. The minister gave the following pathetic excuse in her second-reading speech:

When there is the capacity for members of Parliament to become members of TAFE institute councils, there is always the risk that the councils may become forums for party politics ...

What a pathetic statement that is. If there was any evidence of that, the minister would have put it in the second-reading speech and the Honourable Theo Theophanous would have given us examples of party politics influencing the decisions made by TAFE institutes. The government has not produced a scrap of evidence to support that statement.

The Labor Party is paranoid about members of Parliament serving on TAFE institute councils. The Honourable Theo Theophanous laboured the point that as members of TAFE councils members of Parliament may find out information that they should not know about or might use improperly.

Under the previous Labor government Parliament passed the Vocational Education and Training Act of 1990 with the support of the Liberal and National Parties. That legislation included provisions that ensured that members of TAFE councils acted reasonably and responsibly. Section 29(2) of the act says:

A member must in the exercise of his or her functions —

- (a) act honestly; and
- (b) exercise reasonable care and diligence; and
- (c) not make improper use of any information acquired as a member of a council —

and there is a fourth provision about disclosures of interests.

If a member of a TAFE council used the information made available to him or her in an improper way, the minister has the power under section 29(3) to remove that member from the council. There are the safeguards! The government does not have to take this draconian measure, which will prevent members of Parliament from ever again serving on TAFE councils. The safeguards were put into the 1990 act with the

agreement of both sides of politics, yet the government uses a pathetic excuse to introduce a bill — —

**Hon. T. C. Theophanous** interjected.

**Hon. P. R. HALL** — Get back to your seat if you want to interject. If you do, I will happily take up your interjections!

The necessary safeguards are in place. The bill is draconian and pathetic legislation that is driven by Labor government ideology rather than by good sense. I agree with one comment made by the Honourable Theo Theophanous — that is, that members of Parliament should not have as-of-right positions on TAFE councils. I believe all appointments to the committees or councils of TAFE institutes, universities, schools and other education organisation should be made on merit, not by virtue of any positions the nominees might hold. If it is deemed that members of Parliament have something to contribute to the governance of TAFE councils, why should they be excluded from doing so, especially if they have the support of their local communities?

I will outline my background as a member of a TAFE institute council, because I am one of the four members of the Victorian Parliament affected by the bill.

I have served on the council of the Central Gippsland Institute of TAFE since 6 May 1998. I did not ask to serve on the council and I did not go to the minister and seek to be appointed to it. I was approached by my local TAFE and asked to consider serving on its governance council. After giving the matter some thought and after some discussion, I accepted on the following proviso: I made it clear from day one that if Parliament were sitting or if I had some other parliamentary commitment, my job would come first. I said that if the council were prepared to give me leave of absence during those periods, I would be prepared to assist in its governance. The council accepted my appointment on those terms.

My term expires on 5 May next year — almost a year from today. As things stand the minister is not obliged to reappoint me to that TAFE council. She could simply forget me and everything would pass by quietly — and we would not be debating the bill tonight.

When Mr Boardman's term expires the minister can choose not to reappoint him if she so wishes. The act gives the minister that prerogative. The opposition would not be kicking up this fuss tonight except that the government has chosen to introduce legislation to cut short the time in which members seek to serve their communities. It is pathetic, and that is why the

opposition parties are angry about the legislation and why they do not support it. I will quote one more sentence from the very short second-reading speech. In part, the minister states:

It is vital for councils to be able to engage in open and frank dialogue, without concern that those discussions may become the subject of party political debate.

I agree wholeheartedly with that comment. I observed with some diligence my role and responsibilities as an institute councillor, as defined in the act. I read those responsibilities to the house, and I will not do so again. In the two years I have served on a TAFE institute council an issue of party politics has never been raised. As I said, the minister's second-reading speech has produced absolutely no evidence to support her claim that party politics may be involved with governance at TAFE institutes.

I described the legislation as illogical. I want to explain why I used that word. The two closest institutions with which I can draw an analogy are university councils and school councils. As the Honourable Jeanette Powell has already pointed out, in late 1997 under the Kennett government the as-of-right position of state members of Parliament to be appointed to university councils was withdrawn, and I wholeheartedly agreed with that. Why should we have to appoint a member of the Labor Party, a member of the Liberal Party and a member of the National Party to each of the nine universities of this state? There is no reason — none whatsoever. Politicians should not have an as-of-right position.

**Hon. R. F. Smith** interjected.

**Hon. P. R. HALL** — I point out to the Honourable Bob Smith, if he wants to listen, that Victorian members of Parliament can still serve in their own right as members of university councils. Indeed, one of my colleagues the Honourable Bill Forwood still serves on the University of Melbourne council, and I commend him for doing so.

**Hon. R. F. Smith** — How many Labor people serve on them?

**Hon. P. R. HALL** — There will not be any because the government is cutting them all out. You will never have a chance of being appointed to a TAFE council, Mr Smith.

I am strongly of the belief that members of Parliament should not have as-of-right positions on those councils. Like other members of the community they should be appointed to those councils on merit. I am pleased to say that the University of Melbourne thought

Mr Forwood had the right to be appointed in his own right. If people such as Mr Smith had merit on their side, they too would stand a chance of being selected. There is no prohibition on members of Parliament serving on school councils. Once again, I point out my personal situation.

**Hon. E. C. Carbines** interjected.

**Hon. P. R. HALL** — You will keep, Mrs Carbines, just wait. I shall refer to a few of your comments. I serve on the Kurnai Secondary College council, which is based in Morwell and Churchill, once again as a coopted member. My school community asked me to serve on the council and I am happy to do so. Many of my colleagues from both sides of the house, I would imagine, serve on school councils.

Will the next move from this paranoid Labor government be to stop Victorian members of Parliament from serving on school councils? I would love to hear a definitive answer to that because I think honourable members on both sides of the house serve on state school councils. As I interjected when the Honourable Theo Theophanous was speaking, I know of no other committee, council or organisation in this state that excludes members of Parliament from serving. That is why I say the bill is illogical.

The final point to substantiate my claim that the legislation is illogical is that a federal member of Parliament can still serve on a TAFE institute council. No bans have been placed on federal MPs. We can have a Labor federal MP and a Liberal federal MP serving on an institute council but not a state MP. That is totally illogical.

I refer now to comments made by the Honourable Elaine Carbines. I take exception to her gratuitous interjection that the Honourable Cameron Boardman and I were speaking on the bill out of self-interest. What a pathetic comment! I hope she makes a contribution so that honourable members can hear what she means by that. The Honourable Cameron Boardman and I serve on institute councils not out of self-interest but out of a sense of duty and a desire to serve and represent the communities we are elected to represent. That is why we are there. There is absolutely no self-interest or political gain whatsoever from assisting in the governance of local TAFE institutes.

The Honourable Elaine Carbines also commented recently in debate on an education bill about the undemocratic restructuring of school councils under the Kennett government. They were the words she used. I made a note of them on the night. It was a throwaway

line; she did not explain what she meant by it or what was undemocratic about giving parents a greater say on school councils. Nevertheless, it was hypocritical of her as a member of the government to make that claim when the government is tonight restructuring TAFE councils to exclude one profession in the community — that is, members of Parliament.

As I said, I have served on a local TAFE institute council for two years and it has helped me to perform my duties as an elected representative of the people of Gippsland Province. I have two TAFE institutes in my electorate, Central Gippsland Institute of TAFE and East Gippsland Institute of TAFE. The fact that I have served on one of those councils has not meant that I favour one or the other. I will continue to support both TAFE institutes to the best of my ability, albeit I will not be a member of one of the institute councils. I will still be able to do so in a way, but I am greatly disappointed and angry. I have had a long-time interest in education and a wish to serve on the governance of both school and tertiary education providers. That has now been taken away from me without any good reason at all.

I come to my final point. I will not oppose the bill because I will put the interests of the Central Gippsland Institute of TAFE ahead of myself. I emphasise that point to the Honourable Elaine Carbines. There is no self-interest in what I say tonight; just the fact that I do not want to leave that institute in the uncomfortable position of having someone on its governing council who is not wanted by this government. I do not trust this government to act fairly and reasonably to that institute if I remain on the council. I do not trust the government to that extent so that is why I do not oppose the bill.

**Hon. Kaye Darveniza** interjected.

**Hon. P. R. HALL** — I beg your pardon, Kaye?

**Hon. Kaye Darveniza** — The public of Victoria trusts us. That is why we are over here and you are over there.

*Honourable members interjecting.*

**The PRESIDENT** — Order! I suggest that both sides settle down. The Honourable Peter Hall is making his speech and other honourable members will have their opportunity to speak later.

**Hon. P. R. HALL** — The Honourable Kaye Darveniza has made a statement we will remember; indeed the people of Victoria will remember it.

I am not supporting the bill because it is a disgusting, pathetic, illogical, petty, vindictive and hypocritical piece of legislation, the worst I have seen in Parliament during my time here. There is no logical reason why it should be here. The Honourable Elaine Carbines or any member of the Labor Party should never talk to us about the undemocratic restructuring of local councils again because this is the most undemocratic piece of legislation to come before Parliament. I will not oppose the legislation but I will not forget about it. Come the next election, we will talk about the champion of antidiscrimination, as the Labor Party claims to be. This is direct discrimination against a profession in our society. I will not forget it, and I will not let the people of Victoria forget it either.

**Hon. D. G. HADDEN** (Ballarat) — I support the Vocational Education and Training (Council Membership) Bill. It is a short bill containing five short clauses with very short amendments to the principal act. My contribution will be short and succinct.

As honourable members have heard from previous speakers, the objects of the bill are to amend the principal act, the Vocational Education and Training Act 1990, by inserting new section 28(2) and (3), which in effect makes members of Parliament ineligible to serve and hold office on TAFE institute councils. It goes further than that; it removes current members of Parliament serving on TAFE college councils as well as making consequential and statute law revision amendments to the principal act.

I was saddened to hear the sensitivity of the previous speaker, the Deputy Leader of the National Party. I will address those sensitivities I hope in a sensitive manner.

The bill recognises the importance of TAFE institutes in the community. TAFE institutes are important because they are in the community, parents are active on TAFE councils and the councils must move with the community as it moves and grows. I will take one step further the comments of Mr Hall about the reason for the amendment being to remove members of Parliament from councils so the councils do not become party political. It is important that the community sees that members of Parliament and the government are not involved in the running of TAFE councils. It is important for the community to perceive objectivity and impartiality in the running of councils. TAFE councils should be separate from government and should not have members of Parliament sitting on them. I appreciate that the — —

*Honourable members interjecting.*

**The PRESIDENT** — Order! I ask the honourable member to speak up as I am finding it hard to hear her tonight. I ask other honourable members to allow the honourable member to be heard.

**Hon. D. G. HADDEN** — The University Acts (Further Amendment) Act that was introduced and passed by the former Kennett government in 1997 removed the inclusion clause to exclude members of Parliament from sitting on councils unless they held special expertise or a special perspective and it provided university councils with a discretion to appoint members of Parliament.

The bill does not stem from any alleged paranoia about secrecy as stated by the previous speaker. To exclude members of Parliament from regional and rural technical and further education councils will not have a negative impact on TAFE councils. In fact, it will leave an opening for a local person with different and varied expertise of skill and commitment. Members of Parliament do not have an exclusive eligibility criterion.

Currently four members of Parliament are members of TAFE councils. The Honourable Peter Hall is currently a board member of the Central Gippsland Institute of TAFE. I would have thought as a country member of Parliament his duties would take him away and beyond — —

*Honourable members interjecting.*

**The PRESIDENT** — Order! I am finding it difficult to hear the honourable member, who is not assisted by Ms Darveniza, who is supposed to be on her side. I also ask opposition members to keep the noise down so we can hear the honourable member.

**Hon. D. G. HADDEN** — As I said, it is important that communities understand that members of Parliament do not sit on TAFE institute councils and that TAFE councils are independent of government. I was shocked to hear the 12 adjectives used by the previous speaker describing the bill. It is not a matter of denying members of Parliament the right to serve their communities on college councils. It is a matter of drawing a fair line between government and members of Parliament and between TAFE institute councils as independent of government.

*Honourable members interjecting.*

**The PRESIDENT** — Order! The house is entitled to hear the honourable member. I ask the honourable member to try a little harder to lift her voice. I ask all honourable members to allow the honourable member to be heard.

**Hon. D. G. HADDEN** — I have nearly finished, Mr President. Clause 4 repeals section 29A of the act and provides:

... that a member of a TAFE Institute Council shall not be taken to hold an 'office of profit' under the Crown.

That is by virtue of the Constitution Act. The bill is important and timely. I commend the bill to the house.

**Hon. I. J. COVER** (Geelong) — I am pleased to make a few brief comments on the Vocational Education and Training (Council Membership) Bill. In following the Honourable Dianne Hadden I will attempt to be brief because she has set a new benchmark in brevity. I will make a few brief observations particularly as the bill pertains to Geelong, which has a technical and further education college, the Gordon Institute of TAFE. I am proud and pleased to advise the house that I am a former student of and my wife is a current student of the Gordon TAFE institute. Is there not a touch of irony that my wife can attend the institute and partake of the splendid courses that it offers but now I am prohibited from serving on its council? If one is married to a member of Parliament one can go there, but the member of Parliament cannot serve on the council.

**Hon. R. F. Smith** interjected.

**Hon. I. J. COVER** — I won't take up the interjection, Mr Smith. You're not worth it.

**Hon. R. F. Smith** — How come all those institutes don't want you, Chisholm included?

**Hon. C. A. Furletti** interjected.

**The PRESIDENT** — Order! Mr Cover has just begun his contribution, and I ask Mr Furletti and Mr Bob Smith to keep out of the debate.

**Hon. I. J. COVER** — Thank you, Mr President, for your ruling and your protection, which was foreshadowed by my ignoring Mr Smith earlier.

The second-reading speech referred to councils of TAFE colleges being dynamic and operating in an ever-changing environment. I should have thought that as members of Parliament we operate in a dynamic and ever-changing environment. It appears the only dynamic and ever-changing environment in which we are not allowed to operate now is that of TAFE college councils.

As Mr Hall explained, the second-reading speech says there is a risk that the councils may become forums for party politics, and that risk is unacceptable. I believe

that regardless of whether one is a member of Parliament one can still be a member of a TAFE college council. I have referred to the Gordon Institute of TAFE in Geelong. As a representative of the Geelong community I have experience, ability and capabilities that make me able to contribute to the council on behalf of that community. However, for some reason the minister and the government have deemed that it is unacceptable because I happen to be involved in politics.

The Honourable Dianne Hadden said Mr Hall had come up with 12 adjectives. I agree with each and every one of the adjectives he identified as being accurate descriptions of the legislation.

Reference was made to members of Parliament previously being appointed to boards of universities. One of the great honours bestowed on me not only as a member of Parliament but also as a member of the Geelong community was that in 1996 shortly after being elected I was asked to take up a position on the Deakin University council. I took the place previously held by the former Minister for Housing in the other place after her elevation to the ministry, following which she had many more duties to attend to.

The government changed the legislation so that members of Parliament were no longer entitled as of right to be members of university councils. I recall telephoning the vice-chancellor at Deakin University, Professor Wilson. I said, 'I supported legislation that sacked me from the council. I will assist the council in the future in any way I can. Should you see fit to appoint me to the council as a member of the Geelong community, I would be more than happy to accept'. He was appreciative of that. Although I have not been invited, the opportunity still exists for me to be appointed to the council should Deakin University choose to do so.

Can I telephone the chief executive officer of the Gordon Institute of TAFE and say, 'I am available to be appointed.'? The answer is no. The Bracks government's legislation has sacked members of Parliament. That is disappointing because I was a student of the Gordon institute and my wife is a current student. I am a member of the Geelong community and it would be nice to have the opportunity to be a council member.

Last year I was involved with the institute's inaugural training awards. I acted as master of ceremonies at the evening in Geelong. It was great to see the array of talent among the trainees and apprentices at the Gordon institute. I enjoyed meeting them and hearing about

their courses. I have been asked to take part again in June this year. I am grateful to the minister that the legislation has not prevented me from having that involvement. I cannot be a member of the council but I can be part of the trainee awards in June.

Mr Theophanous's contribution clearly illustrated that the legislation is all about who is in control of the TAFE colleges. Although he spoke about who could and could not be a member of the council, not once did he mention anything about the students. I should have thought that any educational institute, be it a primary or secondary school, a TAFE college or a university, should be about students and their educational outcomes.

If a member of Parliament can serve on the council of a TAFE college and have some input into the ultimate educational outcomes of the students of that institution that is a good thing. However, because of the 12 reasons enunciated by the Honourable Peter Hall and enumerated by the Honourable Dianne Hadden, that is no longer possible.

The annual report of the Gordon Institute of TAFE states that it has more than 16 500 students and 540 staff. It offers more than 175 nationally recognised courses at advanced diploma, diploma, associate diploma, advanced certificate and certificate level, as well as apprenticeships and traineeships. It has been a marvellous opportunity for the Honourables Peter Hall and Cameron Boardman and the honourable members for Kew and Bellarine in the other place to have served on that council since 1993. From speaking to the honourable member for Bellarine I know he enjoyed his involvement over the past seven years. He is disappointed that he cannot continue in that role as a member of the Geelong community.

The institute has experienced considerable growth, especially in capital works. In recent years the Gordon Manufacturing Industry Training Centre development has been completed. Stage 1 consisted of a \$24-million development. It is a wonderful set-up that allows apprentices and trainees to develop their skills.

The Fenwick Street campus has been completed at a cost of almost \$10 million. The historic 1887 Building A facade was recently completed and capital works have also been expended on the wool and horticulture facility at Waurn Ponds. A range of other developments has taken place at the building and construction centre. The honourable member for Bellarine has enjoyed his involvement with the council, and in many ways I envy his being at the cutting edge

as a member of the council while those developments took place.

The Gordon Institute of TAFE won a Geelong business excellence award last year for its joint venture with the James Harrison Secondary College in providing vocational education and training programs in schools. The institute has built a strategic alliance with Deakin University in a range of programs. It is terrific that a local member could be on the council of an institute while such developments were taking place, but sadly the honourable member for Bellarine in the other place, Mr Spry, and other members of Parliament on both sides of the house, will be deprived of that opportunity. It is a great disappointment that that opportunity will no longer exist.

**Hon. Kaye Darveniza** — You write a letter and tell them how to do it.

**Hon. I. J. COVER** — The only letter that should be written is one from the minister thanking Messrs Hall, Boardman, Spry and McIntosh for serving on the councils of their respective TAFE institutions.

I conclude by saying that while I do not support the legislation I am not in opposition to it — I am basically appalled by it. I am appalled not only by the legislation but also by the car parking issue raised in another place!

I wish TAFE colleges continued good fortune in the education of young Victorians, albeit without the contribution of members of Parliament on their councils.

**Hon. S. M. NGUYEN** (Melbourne West) — I am glad to contribute to debate on the Vocational Education and Training (Council Membership) Bill. Many members on both sides of the house have spoken on the bill, some in support of it and others not opposing it. The bill recognises the role of technical and further education (TAFE) institute councils in Victoria.

**Hon. B. C. Boardman** — The bill sacks members of Parliament!

**Hon. S. M. NGUYEN** — It is to ensure institute councils are independent. I was appointed to the Swinburne University of Technology council many years ago, before the former Minister for Tertiary Education and Training, Phil Honeywood, changed his mind and sacked members of Parliament from university councils. Other members of Parliament in this place were sacked by the former minister and members of Parliament can no longer occupy positions on university councils. I could no longer attend the monthly council meetings.

The bill is about making TAFE institute councils more independent so members of the community can be appointed to work with TAFEs to make them a good place for students. Business people and experts on education and training from the community might be invited. Education and training can be enhanced through the creation of a good environment.

Victoria has 14 TAFEs — 7 metropolitan and 7 rural. In my electorate the former Sunshine and Footscray TAFEs merged to form the Victoria University of Technology. It would be beneficial if members of Parliament were sometimes invited to special discussions held by TAFE institutes, but having members of Parliament permanently on such councils can turn into a political influence. TAFE councils should be more independent and responsive to the community by, for example, helping unemployed people to train for the job market or setting up new courses to meet market demands.

TAFEs play an important role in society. Many people attend universities or TAFEs. The government would like to see TAFEs acting more independently. The budget allocates extra funds for them. The Minister for Post Compulsory Education, Training and Employment has done a good job. TAFEs assist in giving people the skills necessary for long-term employment. I quote the minister's second-reading speech:

It is vital for councils to be able to engage in open and frank dialogue, without concern that those discussions may become the subject of party political debate.

**Hon. Bill Forwood** — Did that happen on the university council you served on?

**Hon. S. M. NGUYEN** — I was a member for only a short time. Three members of Parliament from different political parties were on the council. I was from the Labor Party and another member was from the National Party. I am not sure about the other people who had been on the council for longer. The council ceased to exist a short time after I was appointed.

Members of Parliament have made great contributions to TAFE councils, there is no doubt about that. However, the potential exists for them to influence other council members. Councils should be more open and independent. I listened to the contribution of Mr Cover, who said that members of Parliament had done a great job on TAFE councils. Institutes might still invite us to special events or community forums organised by TAFE colleges, if not to council meetings. Members of Parliament must be engaged anyway, perhaps not directly, but as part of the community.

TAFE delivers over 47.5 million contact hours to the more than 200 000 students annually. It is important that TAFE institutes become independent so they can appoint their own people, including staff members, elected by staff, students elected by students, and directors. The government is trying to enable the councils to be more independent. I commend the bill to the house.

**Hon. B. C. BOARDMAN** (Chelsea) — I am delighted to follow Mr Nguyen after his extraordinary contribution to the debate on this bill. I am happy he made a salient point about the time, albeit quite short, that he served on the Swinburne University of Technology council. He made the point quite deliberately that the then Minister for Tertiary Education and Training, the Honourable Phil Honeywood, sacked him from the council. That is true, he did. But it happened in an environment where that council had as-of-right membership for members of Parliament. Mr Nguyen failed to mention that. There was one Labor, one National and one Liberal member of Parliament on that council.

I advise the house that there were about 40 members on the council. Can anyone imagine 40 members, all with different agendas, serving different interests and all trying to work cooperatively in the best interests of the university? Mr Nguyen's story had nothing to do with the bill before the house. It was an as-of-right position and the then minister was correct in removing members of Parliament from the Swinburne University council. He did so under section 29(3) of the Vocational Education and Training Act, which states:

The Governor in Council may remove a member appointed by the Minister under section 28(1)(a) from office at any time.

The minister already has the power to do that. Isn't it completely absurd that the government is now introducing legislation to give a minister of the Crown a power she already possesses! If the Minister for Post Compulsory Education, Training and Employment had any comprehension of her portfolio responsibilities and legislative requirements she would know full well just from reading her own act that she already has the power. If the minister was going to confirm her philosophically and ideologically driven agenda — which is generating this legislation — she would have silently removed from technical and further education (TAFE) councils all members of Parliament who were appointed by the previous minister, and there would have been little hoo-ha. There would have been no need for legislation and no need for us to take this personally.

I am taking this personally. Mr Hall came up with 12 adjectives to describe the bill. I hope I will not repeat

one, but I have eight to share with honourable members: misguided, nonsensical, idiotic, insipid, useless, irrelevant, moronic, unjustified, and a complete waste of time.

When I was appointed to the Chisholm Institute of TAFE council in August last year it was with a great deal of pride that I accepted the position. I did not approach the minister. I did not lobby the minister or the council — I was approached. Unlike Mr Bob Smith, I have had a great involvement with that TAFE institute and the council. I do not think Mr Smith, my colleague from Chelsea Province, has ever been to Chisholm. In fact, I do not believe he had any contact with the Chisholm institute before this bill was introduced. It is good that Mr Smith is in the chamber tonight because I am going to give him a history lesson so that he knows about some of the great work that Chisholm institute does.

Three former institutes — Barton, Casey and Peninsula — were merged on 1 July 1998 to create Chisholm Institute of TAFE. Before they were merged they were competitors. They had strong competing interests and fundamentally different work practices, structures, cultures and systems. They were in a competitive marketplace where they were tendering for and offering educational qualifications and standards in direct competition with each other.

When the former government decided that it would be in the best interests of Victorian tertiary education to form what is now an undoubtedly successful blueprint for tertiary education a number of challenges had to be recognised and resolved at Chisholm institute. It had to create new finance situations, reporting mechanisms and regimes. It had to create a new human resources department for student records. An information technology system had to be formulated to produce a cooperative system so that the three former institutes could work as one in the best interests of both the students and staff. The issues that the new institute had to identify were going to be costly and time consuming. The council of the new Chisholm institute that was formed to oversee the merger did so voluntarily. Its members did not receive one penny for their hard work, commitment and dedication.

As some honourable members have raised the issue of conflict of interest, I happily place on record that I am prepared to refund every single cent that I have been paid in the fulfilment of my duty to Chisholm institute. I am happy to give it to any charity the government acknowledges. A conflict of interest occurs fundamentally where a person is deriving some pecuniary or financial interest that could be in conflict

with the duties he or she is performing. If, as Mr Theophanous said in an inane reference during his contribution to the debate, members of Parliament were appointed to an organisation such as the former SEC or Gas and Fuel that would place a constitutional restriction on members because they would be receiving incomes derived from the Crown. One would think that Mr Theophanous, who has been a member of this chamber for some time, would be aware of the basic constitutional restrictions with which members of Parliament are faced.

The government instigates a policy framework and a regulatory regime that TAFE institutes have to abide by, but there is no conflict of interest by members of Parliament serving on those institute councils because they are not deriving an income and their council roles are not in conflict with their duties. In fact, they complement them. Who better to represent the educational qualifications and standards of particular communities than members of Parliament, who are exposed to an incredibly diverse cross-section of the community from all sorts of different backgrounds. I cannot think of better examples.

Honourable members who serve and know their electorates, including their strengths, weaknesses and requirements, will bring an incredible amount of experience to TAFE councils and serve the councils' best interests. I thoroughly believe my appointment to the Chisholm institute council was for the purpose of doing exactly that. I was proud to do that, and believed — and still believe — I had a contribution to make.

The proposed legislation is absurd because by excluding members of Parliament it is lessening the amount of knowledge and experience that might be available to TAFE councils. It is also confusing in that there is no limitation on members of Parliament serving on TAFE advisory committees. As I am soon to be no longer a Chisholm council member, if the council decided to establish an advisory committee on manufacturing industries in the south-east there is nothing to stop it from appointing me to serve on it. Does that not go against the essence of the bill? I cannot serve in a capacity of deciding a policy but I can serve in a capacity of implementing a policy. It is quite bizarre.

Where does this government want to stop? Honourable members have heard examples of school councils and universities. They have heard of former members of Parliament who have direct, strong and continuing political links but are currently serving as members of TAFE councils.

It is interesting to note that a current member of Parliament cannot continue to serve as a member of a TAFE council but a former member can. The bill has been introduced by a government of 100 committees. It is amazing that the legislation is of such high priority and is causing so much community concern that it is being debated in the first six months of the new government's legislative program. What does that say about the government? It shows it has a lack of vision, ideas and community representation. It has no policies — —

**Hon. I. J. Cover** — Paranoia.

**Hon. B. C. BOARDMAN** — It shows paranoia. The government wants to implement a paranoid, vindictive, discriminatory, politically motivated piece of legislation simply to prove some bizarre political point. It confuses members of the opposition; we have not quite worked it out.

In introducing the bill the government has created another contradiction. I invite honourable members to reflect on a recent appointment by the Minister for Environment and Conservation to the board of Ecorecycle Victoria. Can somebody explain to me the difference between a statutory authority with a degree of autonomy under legislative protection and a TAFE council that does not have that autonomy? Who did the government dig up to fill a vacancy on the board of Ecorecycle Victoria? The government decided to dig up a disgraced and discredited former Treasurer of this state, Rob Jolly, and appoint him to the board. That is fabulous!

Recently, when Victorians were faced with unprecedented power restrictions because of industrial action, who did this government dig up to act as a mediator?

**The PRESIDENT** — Order! I remind the honourable member of the ruling I made earlier. The bill is restricted in its application. It deals with making members of Parliament ineligible to be members of the boards of TAFE councils. The member can talk about that, he can talk about his contribution to the council he has served, and he can talk about the matters raised in the second-reading speech, and that is it.

**Hon. N. B. Lucas** — It was Neil Pope, in answer to your question.

**Hon. B. C. BOARDMAN** — I am making the point that there is a degree of contradiction in the bill. I will now deal with another body that serves as a dry fund for members of Parliament. The Victorian Health Promotion Foundation will it lose its parliamentary

representatives. Who knows where the government will stop?

However, Mr Theophanous made an interesting point. He said that members of Parliament were limited in their capacity to serve their TAFE councils. I find that quite confusing because I thought in the democracy we call Victoria there was a principle of one vote, one value and that as a member of a TAFE council and an individual I could make any contribution in a professional capacity without any bias or undue influence — like any other member of my TAFE council. For Mr Theophanous to say that my service is limited by my occupation is quite absurd and irrelevant.

The government is attempting to argue that the Chisholm Institute of TAFE is disadvantaged by my presence on its council. I will give the house an indication of just how disadvantaged Chisholm is. Recently the institute has been successful in a tender submitted in October 1999 for national driver instructor training for the navy. That involves rigid vehicles, motorcycles, all-terrain vehicles, coaches, defensive driving and other related training. The tender has now been expanded to include the air force. Is that an example of a TAFE institute that is disadvantaged because I am a member of its council? I do not think so.

Chisholm Institute of TAFE has been targeted by the AIC to be one of only three call-centre training providers to be represented at the customer contact world exposition in July. Chisholm's logo will be marketed on approximately 500 000 tickets that are being sent to all attendees. Obviously that is another example of my involvement having prevented the institute from carrying out its duties!

The management and leadership section of Chisholm Institute has just begun appropriate training programs for the Victoria Police. That creates an interesting situation as I am a former member of the Victoria Police. Do I have two conflicts of interest because I know something about that occupation and about the TAFE council? Obviously I have disadvantaged the institute because of my unjustifiably alleged — it is completely unsubstantiated — conflict of interest.

Some of the other companies with which the Chisholm Institute of TAFE is currently doing business include the Richies supermarket chain; the Angliss hospital; Hayman-Reece; St Bede's College; Crane Aluminium Extrusions; the ANZ and Westpac banks; Patrick — the Australian Stevedore; Goodman Fielder Ltd — the list goes on.

Obviously my membership of the Chisholm institute council has jeopardised the institute's performance in negotiating and being successful in those contracts.

The food group has commenced work reviewing the food hygiene and occupational health and safety strategy of John Lewis Pty Ltd, the largest food distributor in Australia, and is to commence a 12-month training program for 200 Korean butchers in Sydney. That program is not even happening in Victoria, but once again because I have been a member of the institute council I have somehow disadvantaged the institute.

Discussions have recently taken place with Massey University in New Zealand and Charles Sturt University in New South Wales to explore the possibility of partnerships that will enable Chisholm to deliver degrees in food management and food hygiene. That sounds fairly impressive. The institute's standards are being recognised throughout the world. How could that be possible? I am a member of Parliament and I am somehow limiting the institute's potential by being a member of its council.

Currently 606 international students are enrolled in various courses at Chisholm Institute of TAFE. Do honourable members think those 606 students really care about a member of Parliament being a member of the council of their educational institution? They would probably encourage it because as a result of my overseas trips I have actually been able to establish links with some of the countries that have provided students.

Internationally the Chisholm Institute of TAFE is working in a highly competitive, highly incentive-driven environment. Its achievements are impressive. It is now using distance education in Hong Kong as a blueprint for Hong Kong language services. The institute is now offering diploma and graduate certificate delivery in Dubai; it has English language delivery and diploma programs in Beijing, China; and a hotel and restaurant training project in Jakarta, Indonesia. All those programs have been produced, manufactured and delivered because an exceptionally qualified and professional — and very impressive — group of individuals proudly serve on the Chisholm institute council. I am one of those individuals.

I have a question for the government. I notice the Minister for Sport and Recreation is listening intently to my contribution. I hope in his remarks at the conclusion of this debate he might be able to answer my question, which relates to motivation. Motivation is why this legislation is before the house. As I have said, the

minister has the power to remove ministerial appointments, irrespective of the occupational background of the person. The introduction of this provision is discriminatory, biased, irrelevant and completely contradictory. The bill is unjustified. I hope the minister will be able to shed some light on why the bill has come before the house.

I place on record that it has been a wonderful privilege to serve on the council of the Chisholm Institute of TAFE, and I thank all the staff members, the volunteers and students who believe in the product delivered by the institute. In particular I thank my continuing fellow council members. They are some of the most impressive individuals you will ever see, who dedicate their time voluntarily, without remuneration, to serve educational interests in this state and make sure Victoria is a leader in tertiary education. I believe I had another two and a half years to serve on the council. I wish to continue to take the opportunity to contribute to the Chisholm institute. This bill is an utter disgrace.

**Motion agreed to.**

**Read second time.**

*Third reading*

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — By leave, I move:

That this bill be now read a third time.

I thank Mrs Powell, Mr Theophanous, Mr Hall, Ms Hadden, Mr Cover, Mr Nguyen and Mr Boardman for their contributions. I appreciate and thank those honourable members who have served on TAFE institute councils and I appreciate their sensitivities regarding the bill.

**Motion agreed to.**

**Read third time.**

*Remaining stages*

**Passed remaining stages.**

## WITNESS PROTECTION (AMENDMENT) BILL

*Second reading*

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — I move:

That this bill be now read a second time.

This bill makes three main amendments. It will:

ensure that police commissioners — and designated law enforcement agencies — in other Australian jurisdictions can apply for and obtain Victorian identity documents for witnesses in their respective witness protection programs;

ensure that the right to marry, as outlined in the commonwealth Marriage Act 1961, is not contravened by the Witness Protection Act 1991 (Vic); and

address the issue of extraterritorial offences as it affects the witness protection program run by Victoria Police.

The Witness Protection Act 1991 is part of a national complementary legislative scheme. It was amended in 1996, following agreement between Australia's police ministers, to enable police commissioners to obtain new identities for protected witnesses in other jurisdictions. Unfortunately, the 1996 amendments did not achieve that aim for technical reasons. The first proposed main amendment will address that shortcoming and make good on Victoria's commitment to the national scheme.

The second main amendment relates to a current provision in the act which makes it an offence for a protected witness to marry without providing the chief commissioner certain information. For example, if the witness was previously married, the witness must provide evidence that their previous spouse has died or their marriage been dissolved.

The current provision is designed to guard against the Victorian witness protection program being abused by assisting witnesses to enter into bigamous relationships. The amendment rewords the provision so that it does not contravene the commonwealth Marriage Act by purporting to not entitle someone to marry in certain circumstances but retains the obligation on the participant to provide relevant information on their marital status which the chief commissioner may then certify to a registrar.

The third proposed change concerns two offence provisions — one relates to disclosing information about the identity or location of a protected witness and the other to revealing information about the program itself or the police officers who run it. These provisions only apply to offences committed in Victoria. However, protected witnesses are frequently moved interstate. The revelation of a Victorian witness's identity or any program details in other jurisdictions is not currently an offence.

However, such a disclosure can still jeopardise the safety of the witness or the program itself.

Consequently, it is proposed to give these offence provisions extraterritorial application — in other words, to make it an offence against Victorian law to make such a disclosure regardless of where the disclosure occurs. Where the offence occurs in another jurisdiction, the local police will be able to arrest the offender and Victoria Police arrange for their return to Victoria to face the courts.

I now wish to make a statement under section 85 of the Constitution Act 1975 as to the reasons for altering or varying the operation of that section. Clause 19 of the bill substitutes a new section in the principal act, which states that it is the intention of section 12(3), as it applies to persons specified in section 12(1) as amended by clause 13 of the bill, to alter or vary section 85 of the Constitution Act 1975.

Clause 13 of the bill amends section 12(1) to include an officer of an approved authority as a person to whom section 12 applies. Therefore, the effect of clause 13 of the bill is to extend the immunity in section 12(3) to officers of approved authorities.

The reason for this extension of immunity is to protect the officers of an approved authority in the performance of their duties and maintain the integrity of information held under the witness protection program.

The bill will enhance the operation of the witness protection program in this state.

I commend the bill to the house.

**Debate adjourned on motion of Hon. B. C. BOARDMAN (Chelsea).**

**Debate adjourned until next day.**

## ADJOURNMENT

**Hon. M. M. GOULD** (Minister for Industrial Relations) — I move:

That the house do now adjourn.

### **Local government: rating framework**

**Hon. R. M. HALLAM** (Western) — I raise with the Minister for Energy and Resources, as the representative in this house of the Minister for Local Government, the issue I raised with her on the adjournment debate of 11 April about a letter circulated by the Minister for Local Government, headed 'Victorian local government rating framework

2000–01'. I cited some extracts from the letter, which I now quote again:

The framework delivers on the Bracks government's commitment to provide financial autonomy for councils in setting rates and charges ...

It also states that the framework:

... removes the Kennett government's prescriptive requirements for councils to seek ministerial approval.

Given the government's criticism of the rate cap under the Kennett administration, I asked the minister what the difference was between the rating framework initiated by the Bracks government and the rate cap initiated by the Kennett government?

I advise the chamber that the Minister for Energy and Resources did as she said she would and passed on the inquiry to her colleague the Minister for Local Government. I received a letter of 1 May from the minister which was a great help because it parroted the issue already mentioned. The letter states in part:

... the Bracks government's 'rating framework' is different to the Kennett government's 'rate capping' policy as follows:

It removes the previous prescriptive requirement for councils to make submissions of financial plans and budgets to the Minister for Local Government.

I would like to know how it does that, particularly as I assume there is some legislative requirement. More particularly, the letter states:

It removes the requirement to obtain ministerial approval of the proposed rate increases.

I am at a loss to understand what that means. A question mark is echoing across local government because the entire industry is at a loss to understand what the differences are. I invite the minister to make inquiries with the Minister for Local Government to meet my initial request — namely, to explain the technical difference between the rating framework on the one hand and the rating cap on the other.

### **Victorian Court Information and Welfare Network**

**Hon. D. G. HADDEN** (Ballarat) — I raise with the Minister for Small Business, as the representative of the Attorney-General in this place, an important issue of the continued funding of the Victorian Court Information and Welfare Network service, a non-profit organisation staffed mainly by volunteers that has been operating for almost 20 years. The service has 5000 contacts each year at the Melbourne and Dandenong Family Court registries. Of those

5000 contacts, 3500 are court-based contacts while 1500 are telephone help line contacts.

The court network has now been advised that its \$65 000 funding allocation will cease at 30 June. Executive director Wendy Taylor has said that the service will then have to be withdrawn.

I ask the minister to ask the Attorney-General to urgently request his federal counterpart to continue the funding of that vitally important court network service.

### **Food: safety plans**

**Hon. P. R. HALL** (Gippsland) — I ask the Minister for Industrial Relations to direct to the attention of the Minister for Health in the other place a resolution passed at a public meeting I attended at Lakes Entrance on 19 April. The meeting was convened by the East Gippsland Shire Council to discuss recent amendments to the Food Act. The resolution reads:

That the state government be asked to put on hold the Food Act legislation and refer it back to the commonwealth government for review. After the report from the food safety forum, for the whole act to be reviewed by the Australian Food Safety Authority and then reviewed by national Parliament and then implemented throughout the nation at the same time.

The meeting was concerned about amendments to the Food Act — in particular, the compliance dates for the registration of food safety plans. The meeting strongly expressed the view that food safety laws should be applied uniformly across the country.

I ask the Minister for Health to have regard to the resolution and to consider the views expressed by those who attended the public meeting.

### **Youth: substance abuse**

**Hon. S. M. NGUYEN** (Melbourne West) — I advise the Minister for Youth Affairs that I recently met with the Salvation Army and local residents to discuss a range of issues relating to young people in Melbourne's west. One of the issues that arose was paint and gas sniffing.

Although the issue of heroin use is at the forefront of public concern, the problem of paint sniffing has taken a back seat. The effects of paint and solvent sniffing are numerous and extremely dangerous, beginning with breathing problems and ending in brain damage. The low prices of aerosol paints and solvents mean that young people can easily obtain those substances.

Will the Minister for Youth Affairs advise the house of possible strategies the government might adopt to overcome this critical problem?

### Federation Square

**Hon. G. K. RICH-PHILLIPS** (Eumemmerring) — I ask the Minister for Industrial Relations to refer to the Premier in the other place the government policy titled ‘Integrity in public life’, and in particular the subsection headed ‘Targeting waste and mismanagement’ which states under the subheading ‘Consultancies’:

As the Kennett government has wound back the public service in Victoria it has spent more and more on the use of expensive consultancies. Almost every area of government activity in Victoria has been captured by highly paid consultancy firms earning more per day than the average Victorian could hope to earn in a month of hard work.

...

Labor will review all government consultancies and substantially reduce the expenditure on consultancies by insisting on a rigorous process of justifying consultancy expenditure.

On 23 March the Channel 7 program *Today Tonight* ran a story on the government’s decision to scrap the western shard of Federation Square. The Minister for Major Projects and Tourism in the other place, the Honourable John Pandazopoulos, was interviewed as part of that story, during the course of which he said:

We decided to have an independent planning architectural expert look at the issue, and of course the government was duty bound to accept the independent expert’s advice.

The independent expert to whom the minister referred was Professor Evan Walker, a former Labor minister. I informed Mr President that the report, which was prepared by Professor Walker, cost the government in the order of \$25 000 to \$26 000. I am informed that the report ran to nine pages, including a cover page and a contents page. It also included around 20 pages of appendices that were other people’s work. I therefore seek from the minister an explanation whether the report by Professor Walker at \$2500 per page is considered a justifiable consultancy and, more particularly, if the minister’s comments that the government was duty bound to accept the consultant’s recommendation reflects government policy.

### Industrial Deaths Support and Advocacy

**Hon. T. C. THEOPHANOUS** (Jika Jika) — I raise a matter with the Leader of the Government for referral to the Minister for Workcover. Honourable members would all be concerned about industrial deaths in the workplace. The matter has been raised often over a

number of years and the concerns of honourable members in this place have been put on record.

An organisation called the Industrial Deaths Support and Advocacy group has for many years sought to provide support for families that have lost members in industrial accidents. The organisation now has an Australia-wide membership of 3000. It provides a whole range of support services for people who have been in the tragic situation of finding that a member of their family literally did not come home from work one day and was never to come home from work.

The organisation is arranging the launch of an important video called *Mary’s Message*, which is the story of a workplace accident that should not have happened. The video is touching and emotional and provides a unique insight into the legacy of a workplace tragedy and its impact on the family left behind. The Minister for Workcover will launch the event on 19 May and I congratulate him on doing so.

Given that the group has been involved in such work over many years and the launch is just one example of the kind of support and promotion provided, I ask the Minister for Workcover to provide through the Victorian Workcover Authority whatever support he can to enable the organisation to continue its valuable work.

### Hospitals: additional beds

**Hon. B. W. BISHOP** (North Western) — My question is directed to the Minister for Industrial Relations, who represents the Minister for Health in another place. During April honourable members welcomed the government’s announcement of the 360 new hospital beds to be distributed across Victoria. That included 60 new beds for country hospitals. I noted with interest that the media release stated that eight new beds would be provided at the Mildura hospital. Given that the media release states that those beds will come into place following the winter peak, I assume they will be placed in the new hospital that will open in September this year.

My constituents pointed out that the beds are not new but form part of the final contract, which was settled some time ago, between the past government and Ramsay Health Care. My constituents continue to ask me whether that is the case and, if not, whether Ramsay will be required to extend the new hospital to accommodate them.

My constituents further ask whether that will require another contractual arrangement. Will the process extend the time lines required for completion of the

new hospital? Will the minister provide me with a detailed brief on those issues to enable me to fully answer my constituents' questions on this important matter?

### **Ballarat: electorate office parking**

**Hon. BILL FORWOOD** (Templestowe) — I shall revisit the issue I raised last night. I refer again to the letter written by the Honourable Dianne Hadden of 20 April. I refer the issue to the Minister for Energy and Resources, representing the Minister for Local Government in another place.

**Hon. C. C. Broad** — You have already done that today.

**Hon. BILL FORWOOD** — I refer again to the letter written by the Honourable Dianne Hadden to the chief executive officer of Ballarat City Council.

**Hon. T. C. Theophanous** — On a point of order, Mr President, the honourable member referred to that letter last night.

**An honourable member** interjected.

**Hon. T. C. Theophanous** — It is the same matter. The rules are that you cannot raise the same matter — —

**An Honourable Member** — In the one session.

**Hon. T. C. Theophanous** — The point of order is that this letter is the same letter that the honourable member referred to previously. It relates to the same matter. The issues arising from it are substantively the same as the issues raised earlier. The rules were not designed for honourable members to simply modify questions in a minor way and refer to the same material, thereby abusing the system to get another grab at an issue that was raised on another occasion. I ask you, Sir, to rule it out of order.

**Hon. M. A. Birrell** — On the point of order, Mr President, the matter Mr Forwood seeks to raise relates to the same member and the dispute that a Labor member of Parliament in this house is having with a Labor member of Parliament in the lower house. It relates to a caustic letter the honourable member sent to the other member. Mr Forwood is raising a completely different matter about that same letter.

**Hon. T. C. Theophanous** — How do you know?

**Hon. M. A. Birrell** — I have been enriched by the fact that Mr Forwood told me about the matter he intends to raise. Mr President, if Mr Theophanous's

argument were taken to its logical conclusion, one could raise a health issue, for example, only once and could never raise it again for the entire length of the Parliament. Obviously members can raise different matters and different issues on the same questions relating to similar topics. Mr Theophanous has done it dozens of times. During the past session he raised identical Workcover issues night after night until honourable members almost nodded off. Therefore I suggest there is no point of order.

**The PRESIDENT** — Order! There are many instances where one issue comes before the house in many forms. I am sure the Minister for Sport and Recreation will be pleased to be reminded of this, but I cite the number of questions about whether Australian Football League football will remain at Waverley Park. A whole series of questions have been asked on that topic, but they have not been the same questions.

In this case all the house has heard so far — I do not know what the minister is saying — is that the issue concerns a letter and is directed to the Minister for Local Government. Certainly the letter was referred to at page 54 of *Daily Hansard* of 9 May. I will be listening to ascertain whether it is the same question. However, there is no reason why there cannot be two dozen questions arising out of that one letter. There is no point of order.

**Hon. BILL FORWOOD** — The issue goes to the heart of the removal by the council of the parking ticket that was issued. For some reason the ticket was withdrawn but nowhere in the letter written by Ms Hadden to the Ballarat City Council does she ask for the bluey to be withdrawn. She asks why it was issued and on whose instructions or urging action was taken. However, in no case does she ask for the fine to be withdrawn. The question I have for the Minister of Local Government is: under what circumstances can fines be withdrawn without people asking for that to occur?

### **Swimming pools: fencing**

**Hon. N. B. LUCAS** (Eumemmerring) — I ask the Minister for Energy and Resources to direct to the attention of the Minister for Local Government in another place the fencing of swimming pools. Under Victorian law any swimming pool, spa, hot tub or jacuzzi deeper than 30 centimetres must have a safety barrier or a fence around it. Given that, sadly, during the past many summers a considerable number of young children have drowned in swimming pools throughout Victoria, I raised the issue in November and again in December. At the time there was some

conjecture about whether it was a matter for local government, the building commissioner or the Minister for Planning.

As a result of a number of drownings early in the summer and perhaps as a result of my raising the matter, the Minister for Health announced a blitz with the suggestion that if people did the right thing prior to 18 April there would be no repercussions for their not having followed the law.

Towards the end of the summer — indeed, on the first day of sitting — I again raised the matter in an attempt to establish the results of the blitz. I also asked a question back in February — obviously one I am not allowed to ask again — about the results of the blitz. I then noticed an article at page 19 of the *Herald Sun* of 30 April suggesting that many pool owners have still not fenced their pools, in spite of the crackdown, the publicity and the fact that seven young people died in swimming pools during the summer.

I want to find out what happened as a result of the blitz. Was it a success or not? The people of Victoria have a right to know whether the campaign undertaken by the government was successful so that the matter can be pursued in the future if necessary.

I will try the Minister for Local Government on this occasion. Will he advise the results of the campaign conducted over the summer? Were the councils across the state that undertook the activities successful? Has the minister addressed the issue I raised on 29 February when I said I understood that it is not illegal for a swimming pool fence not to be fitted with a self-closing device? That means that if the gate on a fence is left open the gate might as well not be there in the first place.

### **ALP: election commitments**

**Hon. D. McL. DAVIS** (East Yarra) — I refer the Minister for Small Business in her capacity as the representative of the Attorney-General in the other place to Labor Party policy prior to the election and the activity of the government since the election. Honourable members will be familiar with section 85 of the Constitution Act and with the arguments advanced by civil libertarians across the political spectrum about the importance of not infringing the rights of Victorians to appeal to the Supreme Court and the need to ensure that there is no overzealous use of section 85 by governments of any political persuasion.

During the last term of the Kennett government honourable members will recall the homilies regularly given in this house about the use of section 85, how it

should be used, when it should be used and the allegation that it was used too often.

I draw the Attorney-General's attention to the fact that in the last session of Parliament 37.5 per cent of the bills that were enacted contained section 85 statements. I do not want to be precious about this in any way. However, there is a gap between rhetoric and activity. I particularly draw the house's attention to a statement at a luncheon at the Law Institute of Victoria by the now Premier Steve Bracks when he was Leader of the Opposition. He is reported to have said, as quoted in the September 1999 edition of the *Law Institute Journal*:

A future Labor government would scrap more than 200 pieces of legislation that — —

**Hon. M. M. Gould** — On a point of order, Mr President, the Chair's rulings about matters raised during the adjournment debate state that they have to be of relevance. The honourable member is talking about something that happened last year. I cannot see how the urgency of it could bring it to the attention of the house. The honourable member needs to focus his attention on at least May 2000 rather than over six months ago.

**Hon. D. McL. DAVIS** — On the point of order, Mr President, my question is closely directed to government administration and the government's legislative program, including today. The government's legislative program and its activities and policies as a government in terms of the rights of Victorians are clearly within the Attorney-General's parameters.

**The PRESIDENT** — Order! I do not uphold the point of order. The adjournment debate is for raising issues concerning state government administration. The question of legislation is continuing — that is why we are here. As it happened, a section 85 statement was made this evening. The honourable member is seeking to presumably contrast a view expressed by the Premier before he was the Premier and the action of the government now. It is clearly government administration and clearly a matter that we can contemplate.

**Hon. D. McL. DAVIS** — I will continue with the quotation:

A future Labor government would scrap more than 200 pieces of legislation that stop Victorians from appealing against government decisions in the Supreme Court.

I accept that is what the Premier thought at the time. In bringing the matter to the attention of the Attorney-General I congratulate the honourable member for Sandringham in another place, Murray Thompson, for the research and effort he has put into

this topic. I ask the government: what mechanisms and committees has it put in place to deal with the excessive or unnecessary use of section 85? What programs has it put in place to live up to its policy prescriptions for Victorians?

### Here for Life

**Hon. ANDREA COOTE** (Monash) — I refer a matter to the Minister for Youth Affairs. I commend the work of the youth suicide prevention organisation Here for Life. As a member for Monash Province I am most disturbed by the growing numbers of youth suicides in my electorate. I was pleased to meet Andrew Kay, the executive director of Here for Life, earlier this year and to have established an ongoing relationship with the organisation. I also understand that the issue is significant across Victoria and in the Benalla electorate which has an unacceptably high level of youth suicide. The Benalla *Ensign* of today's date states:

Due to the government's refusal to support Here for Life, families living in the Benalla region will miss out on vital support services that help young people grow and develop as active members of their local communities.

The work done by Here for Life is innovative, creative and proactive and stretches across Victoria, not only in Monash Province but also in Benalla. Earlier I asked the minister if he could meet with Andrew Kay and I was pleased to learn that he did so. The organisation has \$1 million worth of costs and is asking the government for \$100 000. Most of the group's funding comes from foundations and charitable trusts. The minister said to me that he thought the group did excellent work. In light of the need for those services in Benalla, and indeed all Victoria, I ask the minister if he would reconsider funding Here for Life with \$100 000?

### Waverley Park

**Hon. I. J. COVER** (Geelong) — I raise a matter with the Minister for Sport and Recreation. Honourable members may not be aware that Mr Wayne Jackson, chief executive of the Australian Football League, and Mr Ron Evans, chief commissioner of the AFL, were in Parliament House this afternoon. Surprise, surprise! I understand they met with the minister and the Premier to discuss the future of Waverley Park and the proposed subdivision of the surrounding land including the car park, as was reluctantly revealed by the government to the house yesterday. This is a matter of great public interest, especially as the saving of Waverley for AFL football was a key plank of the ALP's election policy. I ask the minister to inform the house of the nature of the discussions today and whether the proposed subdivision

of the surrounding land, including the car park, signals the death knell for AFL football at Waverley Park?

### Sport and recreation industry awards

**Hon. A. P. OLEXANDER** (Silvan) — I refer the Minister for Sport and Recreation to the sport and recreation industry awards. On two previous occasions in the chamber the minister claimed he had no knowledge of the withdrawal of corporate sponsorship from those awards, once in response to an adjournment issue I raised with him on 6 April and again today in question time. I personally find that claim to be staggering, given that I received the nomination kit and documentation from the minister's department on Tuesday, 2 May.

I note from a brief perusal of the documentation that the minister has personally endorsed the minister's message with his signature. The document also arrived with a personally signed letter from the minister commending it to those who might be interested in the awards. A brief perusal of the document reveals that there are at least seven private sector organisations that are no longer acknowledged in the 'Support the Sponsors' section on the back cover of the document. It is also true and does not take a long time to determine that each of the category awards —

**Hon. M. M. Gould** interjected.

**The PRESIDENT** — Order! The Leader of the Opposition has said the same thing 12 times, which is tedious and repetitious. I ask her to please desist.

**Hon. A. P. OLEXANDER** — Not only is it clear that many of the private sector organisations are not acknowledged in the thanks to the participators of last year's section — and there are large blank spaces in the acknowledgment section of the document — but it is also clear that the category award prizes have been reduced substantially from last year. It is a reduction of \$2500 per category to \$5000.

**Hon. M. M. Gould** — On a point of order, Mr President, the honourable member referred to receiving a signed letter from the minister. I ask him to provide the source of the letter. To whom was it addressed and what was its nature?

**The PRESIDENT** — Order! The minister has asked for identification of the document. Will Mr Olexander provide the information?

**Hon. A. P. OLEXANDER** — The document was provided to me as a member for Silvan Province in my

office in Boronia on 2 May. The minister may have received one in his electorate office.

The award, the highlight of the document the minister has personally signed, was reduced from \$10 000 last year to \$5000 this year. It is obvious that the only support that is received from worthy organisations, not from private sector organisations, is from Australia Sport International.

**Hon. T. C. Theophanous** — On a point of order, Mr President, I direct your attention to the fact that you asked the honourable member to identify the letter. I was confused because he was asked to whom the letter was addressed.

**The PRESIDENT** — Order! Certainly that question was asked of the honourable member. He said it was addressed to him as the honourable member for Silvan Province.

**Hon. A. P. OLEXANDER** — Indeed it was, Mr President. It saddens me that the government does not want to hear this. Reading through the document is a revelation. It is personally endorsed by the minister. Is the minister's lack of knowledge, which he repeated twice in this chamber, about the withdrawal of sponsorship from the awards simply because he does not care about the outcome, or is it that he does not read or understand the documentation he personally signs in his role as minister?

### Traineeships: places

**Hon. W. I. SMITH** (Silvan) — I refer the Minister for Small Business to an answer she gave last night to a question I raised about private sector training providers. She said a review was being conducted by the Department of State and Regional Development. I understand the review is being conducted by the Department of Education, Employment and Training. In her answer she said:

It is unfortunate that the review is inconveniencing those who provide the services ...

I refer to the Victoria Racing Club, which is facing difficulties with the cap. The club is the only provider of jockey training in Victoria. There is a shortage of skilled track riders in the industry and the club is unable to train any more. It cannot increase training to meet industry demands. The club is extremely concerned at the cap and how it can overcome the shortage in the industry. The club told me today that one of its major problems is that industry training providers in general are set up to meet the special needs of their industries and the specific needs are not being met by the cap.

Does the minister still believe it is unfortunate that the review impacts on small business and will she initiate action to alleviate the urgent problems the industry is facing in this area?

### Responses

**Hon. M. M. GOULD** (Minister for Industrial Relations) — The Honourable Peter Hall raised a matter for the attention of the Minister for Health about a public meeting to be held at Lakes Entrance following what he read in *Hansard*. I shall refer the matter to the Minister for Health for a response.

The Honourable Gordon Rich-Phillips raised a matter for the attention of the Premier. I shall raise it with the Premier and ask him to respond in the usual manner.

The Honourable Theo Theophanous raised a matter for the attention of the Minister for Workcover. It concerned a video entitled *Mary's Message*, which deals with industrial deaths. He mentioned an invitation for people to attend the video's launch on 19 May. The Industrial Deaths Support and Advocacy Group has been established to assist workers and families of workers who have died as a result of accidents. It is a good organisation, and I shall pass the matter on to the minister who will respond in the usual manner.

The Honourable Barry Bishop raised a matter for the attention of the Minister for Health. I shall ask the minister to respond in the usual manner.

**Hon. C. C. BROAD** (Minister for Energy and Resources) — The Honourable Roger Hallam raised for the attention of the Minister for Local Government a matter that he initially raised with the minister on 11 April. It concerns the difference between rating program frameworks and rating caps. He referred to a response from the minister with which he is less than satisfied and requested that I again ask the minister to answer his initial request. I shall refer the matter to the minister.

The Honourable Bill Forwood asked the Minister for Local Government about car parking. I shall refer the matter to the minister to determine what he does with it.

The Honourable Neil Lucas also referred a matter to the attention of the Minister for Local Government. It concerns the important matter of the fencing of swimming pools to avoid deaths by drowning, a matter that he has consistently pursued in this place. He asked about the results of the campaign on the fencing of swimming pools over the past summer and whether it should be continued. I shall refer the matter to the minister.

**Hon. M. R. THOMSON** (Minister for Small Business) — The Honourable Dianne Hadden raised for the attention of the Attorney-General funding of the Victorian Court Information and Welfare Network service, a voluntary organisation receiving about 5000 calls a year. It has been notified that its \$65 000 funding ends on 30 June and has asked the Attorney-General to follow up continued funding from the federal government. I shall pass that on to the Attorney-General for a response.

The Honourable David Davis asked a question about section 85 statements made prior to the election and the repealing of legislation where they were misused. He asked about the mechanisms put in place to review the legislation. I shall pass that on to the Attorney-General.

The Honourable Wendy Smith again referred to private sector training providers, a matter she raised last night. Tonight she asked about the Victoria Racing Club's difficulty in training jockeys and the shortage of skilled jockeys. The Minister for Post Compulsory Education, Training and Employment in the other place is conducting a review into the training apprenticeship schemes that are in operation. The budget introduced on Tuesday of last week was a good one for training in that it allocated \$177 million to training. It is important that the new funding is appropriately allocated along with the existing funding. We need to find out the future skill needs in many areas so that we can have programs to meet them. The government needs to be able to meet future demands and to know that those dollars are being spent in the best possible way.

All the organisations that provide training can continue to do so at the levels they did last year. The cap on extending training programs has been imposed to ensure that the review can be implemented immediately upon completion and that the resources can be redirected to where they are needed most. Many small businesses will be facing skill shortages in the future and it is important that we have a plan that meets those needs. That plan needs to be strategic and not ad hoc.

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — The Honourable Sang Nguyen raised the very pertinent issue of paint and gas sniffing. I recognise that paint and solvent sniffing is a significant problem in some communities and that such practices can have an extremely detrimental effect on the physical and mental health of individuals. Given that it is an issue for which a number of government agencies appear to bear responsibility, I will raise the matter with the relevant ministers to discuss appropriate strategies and actions that may allow us to address this issue.

The Honourable Andrea Coote raised the Here for Life program. I do not know if she recalls the last time a question was asked about the program but I certainly endorse organisations such as Here for Life for the good work they do with young people, particularly in raising self-esteem and reducing the incidence of suicide among them. I am aware that the Office for Youth is continuing discussions with the people who run the Here for Life program.

The Honourable Ian Cover asked about a meeting that the Premier and I attended tonight with representatives of the Australian Football League. It was one of a number of meetings we have had over time about a variety of issues pertinent to the role of the AFL in the community and is of a confidential nature.

*Honourable members interjecting.*

**Hon. J. M. MADDEN** — The Honourable Andrew Olexander raised the sports minister's awards. The honourable member would serve his constituents far better if he nominated individuals for the awards rather than criticising their establishment. The awards are not about remuneration — although that might be a priority for the Honourable Andrew Olexander — they are about recognition. I am concerned that after we sent out that information, the honourable member missed the point of the awards which is recognition and not remuneration. He has missed the point of the awards and the good work they set out to endorse.

**Motion agreed to.**

**House adjourned 10.45 p.m.**



**Joint Sitting of the Legislative Council and  
the Legislative Assembly**

**Wednesday, 10 May 2000**

**Centenary of Federation**

**Honourable members of both houses assembled at  
12.30 p.m.**

**The Clerk** — Before proceeding with the business of this joint sitting it will be necessary to appoint a President.

**The SPEAKER** — I move:

That the Honourable Bruce Anthony Chamberlain, MLC, President of the Legislative Council, be appointed President of this joint sitting.

**Hon. B. W. BISHOP (North Western)** — I second the motion.

**Motion agreed to.**

**The PRESIDENT** — I thank honourable members for the honour of chairing this historic meeting of both houses of the Victorian Parliament.

**Mr BRACKS (Premier)** — I desire to submit the rules of procedure, which are in the hands of honourable members in the document marked 'Appendix A', and I accordingly move:

That these rules be the rules of procedure for this joint sitting.

**Dr NAPTHINE (Leader of the Opposition)** — I second the motion.

**Motion agreed to.**

**The PRESIDENT** — The rules having been adopted, I now call on the Premier.

**Mr BRACKS (Premier)** — I move:

That this joint sitting of the Legislative Council and Legislative Assembly of the Parliament of Victoria invites the President and members of the Senate and the Speaker and members of the House of Representatives to convene at the Royal Exhibition Buildings, Carlton, on 9 May 2001 for the joint commemorative ceremonial Federation sitting and commemoration ceremony and at Parliament House, Melbourne, on 10 May 2001 for the commemorative Federation sitting of each house of the commonwealth Parliament and conveys its best wishes for the success of the said meetings that will mark the centenary of the first sittings of the Parliament of the Commonwealth of Australia.

**Dr NAPTHINE (Leader of the Opposition)** — I second the motion.

**Mr BRACKS (Premier)** — The motion before the joint sitting is of historic significance and importance. Today the Victorian Parliament comes together to invite the commonwealth Parliament to return to our state next year as part of Australia's centenary of Federation celebrations.

We extend that invitation aware of the great sense of history behind it. We invite our federal colleagues to meet at the Royal Exhibition Buildings on 9 May 2001 as their predecessors did 100 years ago, and we invite them to sit the next day here in this building, where the business of governing Australia began.

The motion is not merely symbolic, it also links us directly to those important events of the past, to the days when this building was Australia's Parliament and to the time when Australia's journey as a united nation began.

It reminds us that Melbourne was Australia's capital for 26 years and that this building was generously given up by the Victorian people for all those years to serve the wider interests of their new nation.

The invitation to our federal colleagues to return here also reminds us that the Parliament of the Commonwealth of Australia was created by the vision and determination of the people of the then colonies and was strongly supported by our predecessors in this Parliament and by the people of Victoria.

It reminds us that our constitution was written by Australians and voted on by Australians. It is also worth remembering that a number of Victorians played key roles in promoting the call for nationhood both within this state and across Australia. I refer to people such as Alfred Deakin, who would later become Prime Minister, as well as other Victorians such as Sir John Quick from Bendigo.

We should also remember the role played by our regions in the establishment of the federation. I speak in particular of the role Ballarat and the Eureka uprising played in the development of the federation movement.

Australia and Victoria have come a long way since Australians realised a vision in coming together and forming a united nation in 1901. The centenary of Federation gives us the opportunity to celebrate our achievements as a united and democratic nation while reflecting on the lessons of the past.

The meeting of the commonwealth Parliament here in Melbourne next year will honour those who established our democratic tradition, but the motion also carries a message about the future of that tradition. It expresses

this Parliament's desire that our democratic tradition continues to be vibrant and dynamic, one that is open to debate and new ideas.

It expresses our desire for the continuing good governance of all Australians by the commonwealth Parliament and by other parliaments in Australia, including this one. It expresses this Parliament's desire that the meetings held here next year will be a reminder of our past, a celebration of our achievements and a pointer to our future as a successful, inclusive and prosperous nation.

**Honourable Members** — Hear, hear!

**Dr NAPHTHINE** (Leader of the Opposition) — I take great pleasure in wholeheartedly supporting the motion. Next year the 100th anniversary of the birth of this great nation will be celebrated. The story of Federation is one in which all Australians can take pride. As a result of popular participation and support the Australian nation was brought together by peaceful means, a claim that few democracies can make. We should not forget that Australia is one of the few nations that was brought together by direct popular consent — a democratic heritage to which others would like to lay claim.

We should also recall that the birth of this nation was not a simple process. Many times the barriers seemed insurmountable. One of the great strengths of the participants in that process was their capacity to consider innovative ways of completing the work of bringing the Australian nation together. Our unique blend of parliamentary democracy with a strong federal system is a testament to that. In a world where politics is often depicted as a system of competing interests not capable of cooperation we should not lose sight of that enormous achievement.

Speaking as a Victorian, I am very proud of the roles played by the political and community leaders of the time, many of whom went on to play important roles in the first Parliament of the Australian nation. Without question the most prominent was Alfred Deakin, the key architect and strategist of Federation, Victoria's Attorney-General, the first Attorney-General of the commonwealth and Australia's second Prime Minister. Without his efforts and vision Federation would undoubtedly have been delayed.

Other Victorians who played prominent roles in the development of this new nation in the political and legal spheres included Henry Higgins and Isaac Isaacs. The first commonwealth parliamentary Hansard reporter, Mr Ernest Scott, was also drawn from the

Victorian Parliament, and he later became the first professor of Australian history.

It is no accident that the commonwealth found its first home in Victoria. In 1890 when the convention met here Sir Henry Parkes planted the Federation oak, which still stands in the Parliament House gardens today. It was here in 1898 that the final touches were made to the constitution before it was put to the people of Australia through a referendum. It was in this chamber that Australia became the second nation in the world to extend its franchise to women, and it was in this chamber that the government told us of the accomplishments of Australian troops abroad in World War I.

Returning to this place to celebrate Federation is about not only commemorating and celebrating those moments but the possibility of capturing the spirit that brought Australia together. At this time I recognise the indigenous community of Victoria, which needs to be recognised at this significant commemoration. I look forward to welcoming members of the commonwealth Parliament to both the Royal Exhibition Building and to this chamber next year.

**Honourable Members** — Hear, hear!

**Ms DELAHUNTY** (Minister for Education) — I am delighted to support this motion in this building, which has been the home of the Parliament of a colony, the Parliament of a state and for 26 years the Parliament of a nation. It is the only Parliament building in Australia that can make that claim. It was also the place where the architects of the Australian nation met on the road to Federation. At the 1898 constitutional convention the final draft of the Australian constitution was agreed to by delegates from the six colonies.

It is worth reflecting on the first 26 years of Federation and considering the challenges that faced the young nation and the parliamentarians who occupied this building. The challenges ranged from a war with an enemy on the other side of the globe to governing for Australians across a vast continent without the technology that today we take for granted. That technology enables us to broadcast this joint sitting over the Internet, to Parliament in Canberra and to every school in Victoria via satellite.

Victorians should be proud that one of the first acts of federal Parliament when it met here was to give women the vote. But the Parliament that sat here did not include women, indigenous Australians or people from non-European backgrounds. Next year, however, when our federal colleagues return to Melbourne not only

will women feature, so also will the many different cultures that make up the Australian character today.

As Australians prepare to celebrate the nation's 100th birthday we enter the century to celebrate a tolerant and multicultural society. We have embraced cultures from around the world and have certainly come a long way since 1901 in our relationship with indigenous Australians. The process of reconciliation has been embraced by indigenous and non-indigenous Australians and will continue into the Australian nation's next century.

The return of the commonwealth Parliament also marks a series of significant events to be announced over the next few months. There will be celebratory events and activities across Victoria to ensure that the community can reflect on and celebrate this milestone.

In addition to any formal announcements, I urge all honourable members to use this opportunity to learn more about Australia's history and to discover some of the stories about the Australians, male and female, from all backgrounds who have contributed to building this nation — ordinary Australians, extraordinary lives! I also urge all honourable members to ignite the imaginations of those in our state and our nation, and particularly those of the young. For all Australians the centenary of Federation is a chance to ponder the gift of Australian citizenship and the rights and responsibilities that it confers on all of us as members of a democratic and free society.

**Honourable Members** — Hear, hear!

**Mr RYAN** (Leader of the National Party) — I am delighted to support the motion. It is an opportunity for all honourable members to reflect upon their good fortune in living in one of the great nations of the world.

The history of Federation will be explored more fully at the time of the joint sitting and the various celebrations that will surround it. However, it is very important on this occasion to recognise the magnificent contribution made by country Victorians to bring about Federation. That support was strong throughout the 1880s and most particularly perhaps up along the Murray, where trade was of crucial importance. Regional Victorians such as Alfred Deakin, George H. Wise from my home city of Sale and Dr John Quick from Bendigo played a major role in the push for Federation. They inspired Victorians to vote overwhelmingly in favour of Federation in the 1899 referendum.

In 1901 Australia's birth as a nation was celebrated enthusiastically by regional Victorians. People from all

over Victoria including soldiers, stockmen, firemen, musicians and other workers — people from all backgrounds — travelled to Melbourne to participate in and watch the celebrations to commemorate the opening of the first commonwealth Parliament on 9 May 1901. It is appropriate that the celebrations in 2001 will not be centred in Melbourne. Already communities across the state are planning to recognise this historic milestone with their own celebrations, ranging from environmental projects to exhibitions and research.

Throughout the year towns and cities across Victoria will celebrate with events both large and small, just as country Victorians did 100 years ago. In Sale residents celebrated Federation with a procession through the streets. A Mr Shankley built a triumphal arch in York Street, but unfortunately it was not high enough so the procession had to march around it. Beware the dimensions of the triumphal arch!

I am conscious that today students from around our wonderful state are watching this telecast. I urge them to take the opportunity to celebrate the fact that we live in one of the great countries of the world. We are a people of many parts. We have been fortunate that war has not touched our shores as regularly as has been the case in other parts of the globe. I ask particularly those students — our hope of the future — to join in and celebrate with all communities, especially country communities, in what was a marvellous event 100 years ago when this great nation was born. I support the motion.

**Honourable Members** — Hear, hear!

**Hon. M. M. GOULD** (Minister for Industrial Relations) — As the first female Leader of the Government in the history of Victoria's Legislative Council I am proud to join with the Premier, the Leader of the Opposition, the Minister for Education and the Leader of the National Party in supporting the motion.

The centenary of Federation is not just a celebration of politicians by politicians; it provides all Australians with a unique opportunity to review where we have come from and where we are heading. At the dawn of the 20th century Melbourne, and Australia, was a different place. Back then the national population comprised about 3.8 million people, predominantly from the British Isles, the major exception being the 21 000 surviving indigenous Aborigines. Australia was a nation in name only.

Each of the six colonies had its own relationship with the mother country and largely had its own currency,

postage, rail system, customs and excise duties, and defence force. Our social values were shaped as much by our geographical isolation as by a culturally limited perspective and imperial rule. Politics was an Anglo-Saxon male bastion. The *Age* illustrated that fact when it reported the opening of federal Parliament and saw the benches filled with:

... battalions of silk hats, which most members kept on their heads during the sitting.

A look around the chamber today tells a different story. For an emerging nation finding its way onto the world stage, the confines of inward-looking colonialism became unsustainable. The challenge for our forefathers was to achieve a federal system of government through a balancing act by integrating national power with state rights while also reconciling their competing demands. Their vision, combined with the determination of the Australian people, has led to the culturally diverse, open and progressive society that we enjoy almost a century later. To that end, Federation presented Australia with a vehicle to forge a distinct national identity.

As the host to Australia's first national government, Victoria was proud to play its role in nurturing our democracy. Next year we again hope to join with the commonwealth in Melbourne to celebrate our success at forming a single nation — a nation with social, economic and cultural stability, and a people equipped to contribute to the betterment of our society. I commend the motion to the house.

**Honourable Members** — Hear, hear!

**Hon. M. A. BIRRELL** (East Yarra) — There are two profound reasons for supporting the motion before the joint sitting, which starts the formal process of recognising the achievements from 1901 to 2001. The first profound reason is that the achievement of 1901 is a largely unrecognised part of Australian history, particularly among young Australians. By world standards the action of six colonies coming together to create one nation for one continent was a historic event. Because it was not done on the back of bloodshed or any form of violence, it has gone largely unrecognised for the achievement it was.

Other nations have achieved their nationhood as a result of civil war, of internal insurrection or as the outcome of some form of territorial fight that led to a form of national unity. By way of contrast, in 1901, quietly, peacefully and with a great degree of selfless detachment, the Australian people decided that six colonies should go and that they should create one

nation — and in that context, we can be proud of that title.

Despite the extraordinary simplicity of Australia at that time there was a pursuit of unity. Australia then had a population of fewer than 4 million, and there were only 50 motor cars across the whole country. It had no radios, let alone television, and no proper transport links because all the rail lines were of different gauges!

But there was idealism, vision, a sense of determination to work as one and the first indications of a sense of nationhood. As a consequence, Australia saw a process of consultation that is rare by any standards of democracy. In Victoria, 94 per cent of people voted in favour of a Federation; no state had a higher positive vote. But that was a rare moment, and we should start to celebrate that rare moment from today. As Alfred Deakin said in reflecting on the events that led to that day:

To those who watched its inner workings, followed its fortunes as if their own, and lived the life of devotion to it day by day, its actual accomplishment must always appear to have been secured by a series of miracles.

It was a miracle, and that is what we celebrate. The consultation was a success and should be a beacon for all of us.

The second profound reason that we must support the celebration is that 2001 offers a rare opportunity for inclusiveness, for bringing the nation together for a genuine celebration and as a period in which to reconcile our differences. At a time when the relevance of celebrations like Australia Day is slipping away, 2001 offers the symbols and the substance for the nation to work together as one.

**Honourable Members** — Hear, hear!

**Ms DAVIES** (Gippsland West) — I am honoured to speak in support of the motion before this joint sitting of the Victorian Parliament. My Independent colleagues, the honourable members for Mildura and Gippsland East, also support the motion. We will welcome members of federal Parliament back to our historically significant and beautiful Royal Exhibition Building and Parliament House during next year's centenary celebrations.

I have particular and personal reasons for feeling connected to the centenary celebrations because my great-grandfather, Sir William Lyne, then the Premier of New South Wales, was offered the commission to form that first federal government in 1901. Although Sir Edmund Barton quite rightly became the first Prime Minister of Australia, Sir William Lyne served

honourably as a member of federal cabinet for almost 10 years while federal Parliament operated in these chambers where the Victorian Parliament now operates.

I hope during the next year we will reflect on the struggles and difficulties that the early participants in federation overcame. The lessons they learnt about compromise and the value of cooperation between the states, or the colonies as they then were, are valuable, and I suggest we could all learn from them.

Recently the honourable member for Gippsland East relayed to me the views of one of his constituents who said that Australia is one big paddock, with too few people in too large an area to do anything but work together towards common goals. I hope the passage of the motion and the celebration of our centenary over the next year help remind us that we all need to make sure more of our nation's efforts go into doing just that.

**Honourable Members** — Hear, hear!

**Motion agreed to.**

**The PRESIDENT** — Mr Speaker and I shall advise the President of the Senate and the Speaker of the House of Representatives of the motion passed by this joint sitting.

I declare the joint sitting closed.

**Proceedings terminated 12.55 p.m.**

