

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

24 November 1999

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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Wednesday, 24 November 1999

The **PRESIDENT** (Hon. B. A. Chamberlain) took the chair at 10.02 a.m. and read the prayer.

CLERKS

Retirement

The **PRESIDENT** — I advise the house of the forthcoming retirement of the Clerk of the Parliaments and Clerk of the Legislative Council, Mr Allan Bray, which will take effect from the close of business on Friday, 3 December 1999.

Appointments

The **PRESIDENT** — As a consequence of Mr Bray's retirement the Governor in Council has now been pleased to make the following appointments with effect from 4 December 1999. On my recommendation Mr Wayne Ronald Tunnecliffe will become Clerk of the Legislative Council.

Honourable Members — Hear, hear!

The **PRESIDENT** — Order! On the joint recommendations of the Speaker and me, Mr Raymond William Purdey will become Clerk of the Parliaments.

PATRIOTIC FUNDS COUNCIL

Annual report

Hon. M. R. THOMSON (Minister for Small Business) presented report for 1998.

Laid on table.

PAPERS

Laid on table by Clerk:

Housing Guarantee Fund Limited — Report, 1998–99.

Parliamentary Committees Act 1968 — Minister's response to recommendations in Law Reform Committee's Report upon Criminal Liability for Self-Induced Intoxication.

Planning and Environment Act 1987 — Notices of Approval of the following amendments and new planning schemes:

Baw Baw Planning Scheme — Amendment C6

Brimbank Planning Scheme — Amendment C3

Buloke Planning Scheme

Casey Planning Scheme — Amendment C4

French Island and Sandstone Island Planning Scheme

Glen Eira Planning Scheme — Amendment C1

Knox Planning Scheme

Macedon Ranges Planning Scheme — Amendment L29

Mornington Peninsula Planning Scheme — Amendment C3

Nillumbik Planning Scheme — Amendment L22

Wyndham Planning Scheme — Amendment C10

Yarra Planning Scheme — Amendment C8

SMALL BUSINESS: CONFIDENCE

Hon. BILL FORWOOD (Templestowe) — I move:

That given the reported slump in small business confidence, this house calls upon the Minister for Small Business to outline any plans she has to remedy this slump.

This is a simple, straightforward, but important motion. Members in this place are used to the motions moved by Mr Theophanous, which condemned and criticised in flamboyant and bombastic language.

Hon. T. C. Theophanous — It worked, didn't it!

Hon. BILL FORWOOD — The opposition will, on some occasions, bring a different style to debates in the house. This is one such motion. The motion is specifically about small business confidence. It is obvious to all members that the government was not prepared to govern; it was surprised to find itself in government. The minister was surprised to find herself a minister and is not fully in control of the issues she is being called on to grapple with. However, without putting too fine a point on it, she is vigorously trying to come to grips with the issues. In her maiden speech, which was short on philosophy or a program for the future, she did say she was pro small business. I am sure I have that right.

The motion is important to all small business operators, and it is important to the 800 000 Victorians who are employed in small business. It is also important to customers, suppliers large and small, the utilities — gas, water and power — that supply them, and local government.

Small business is important for all sorts of reasons. It is a power house of Victoria and a driving force in our economy. It is a significant part of our export trade and one of the reasons there are now more Victorians employed than at any other time in the state's history. It

is part of the reason there has been a boom in investment.

The motion is also important to the minister. It is carefully worded to give her the opportunity and the platform to spell out not so much what she intends to do for small business in Victoria — how much money she intends to spend on small business and when — but rather what she is going to do to restore the vital ingredient for small business — namely, confidence.

It is apparent that one of the great intangibles in investment decisions and the way that the economy operates is the notion of future confidence. It is a hidden ingredient in so many of the decisions people make, not just in their small businesses but in their lives. When business people feel confident and secure about where they are and about the prospects that lie ahead they are far more likely to invest, expand their businesses and hire people — they put people on, the benefit of which flows through the economy and generates spin-offs. People will purchase more goods and be more entrepreneurial if they are confident; and as consumers they will spend more. If I feel confident I am happy to go out and buy things or go to a restaurant, and put some money back into economy.

What happens when that confidence goes? Let us cast our minds back to the state of Victoria when the former coalition government took office in 1992. The crucial theme at that time was a down-in-the-dumps feeling about being Victorian. Confidence had gone and people were leaving the state. During 1991–1992, in the later period of the previous Labor government's term in office, 20 000 people a year were fleeing the state. Victorians were the butt of jokes at that time, when confidence was at its lowest. Everyone remembers the joke, 'What is the capital of Victoria? \$2.50!'. The coalition government turned the situation around. It got elected and started things up. One of the great indicators of the turnaround in Victoria is that in the last two quarters, for the first time since records were kept, more people came to live in Victoria than left.

The Australian Labor Party (ALP) has also recognised that confidence is one of the key ingredients needed by Victoria. 'Taking Care of Small Business', one of Labor's policy documents issued before the last election, is full of rhetoric about how a Bracks Labor government will be unashamedly pro-small business. Labor was so concerned about the loss of confidence that it went out of its way to engage Access Economics to do its costings. The rhetoric is:

Small business is where Victoria's best prospects of future jobs and prosperity lie. Labor understands that, and is keen to back them all the way.

The document also states:

Micro business, small business and medium-sized business in Victoria has always been at the forefront of innovation and creative economic development.

Labor will create an environment in which a vibrant, dynamic and prosperous small and medium-sized business can thrive.

Labor says it understands the importance of small business confidence, but what has happened in the month since it became the government? The most authoritative small business survey index is John Marsden's Yellow Pages *Small Business Index*. The introduction states that the primary objectives of the index are to track small business activity over the past 3 months, to track expectations over both the current 3 months and 12 months periods, and to measure overall confidence in the small business community. There is a structured system for doing that and it has been running for many years. Yesterday the November issue of the index was released and the only words to describe small business confidence in Victoria are 'plummeted' and 'collapsed'. The government cannot be blamed because it has done nothing in the month — this result is purely about expectations and confidence.

The motion is worded in a particular way to give the minister a platform and an opportunity to outline how she will deal with the fundamental issue of confidence in the economy and cope with the situation that after Labor gained office there was an instantaneous collapse in that confidence.

I will go through the national confidence trends on a net balance basis for the last four quarters and compare the national situation with Victoria. In February 1999 confidence was 55 per cent nationally and 60 per cent in Victoria. In May it was 55 per cent nationally and 59 per cent in Victoria. In both quarters Victoria was in front of the national average, first by 5 points and then by 4 points. In August the situation was lineball — the figure for each was 54 per cent — the national figure had come down slightly and the Victorian figure had dropped a bit more. Yesterday's figures indicate that national confidence slipped 2 points to 52 per cent and Victorian confidence plummeted by 9 points to 45 per cent.

For the first time it had dropped below 50 per cent in the last four quarters, back to the level of the year before when it was about lineball. The crucial point is that the trend in Victoria, not nationally, plummeted.

The Yellow Pages *Small Business Index* survey report on the attitudes to state government policies shows that over the past four quarters the net balance figures have been plus 30 per cent, plus 27 per cent and plus 20 per

cent — all under the Kennett government. However, under the Labor government the figure is minus 5 per cent — a drop of 25 per cent in the attitude indicator towards state government policies.

The small business sector has absolutely no confidence in what the government is doing or in its ability. One of the issues that the minister needs to grapple with is how to go about turning this trend around. Almost half — 45 per cent — of small business proprietors believe the election of the minority Labor government was a bad outcome for Victoria. Only 17 per cent believed the outcome was good. Yet the minister claims she is unashamedly pro-business; the Bracks Labor government says it is unashamedly pro-business. Why is there such a discrepancy between government claims and perceptions in the community?

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — I am happy to pick up Mr Theophanous's interjection. Yes, the Liberal Party lost the election and was surprised to lose, and the Labor Party was surprised to win. The people of Victoria were surprised, too. But small business proprietors are fearful. The driving force of the economy showed that there was confidence in the direction the state was going.

The other day I received a letter from a constituent saying that one of the great sorrows of her life was that the new government had dropped the slogan 'on the move'. Some people in Victoria believed that being on the move was a good thing and that 'on the move' represented what Victoria was doing: giving a direction for the future and providing job opportunities.

The former Premier told a story about going to 3AW one morning in 1997 or 1998 and stopping for a coffee in the milk bar opposite the radio station. A building worker walked off a building site and came over, and the Premier wondered what the bloke was going to barrel him about. The worker said, 'I just want to let you know that ever since you got into government I've had a job'. That is an example of why more Victorians are in employment now than ever before. Yes, the Labor Party has won government — —

Honourable members interjecting.

Hon. BILL FORWOOD — What is the connection between confidence and employment? I will wait for the contribution of Mr Theophanous, so he can explain why confidence has plummeted when nothing else has changed between 18 September and today.

The minister knows as well as every other member in the chamber that that is the crucial ingredient because, as I said, it leads into the cycle of investment, employment, the creation of wealth and spending.

Retail spending in Victoria is at a high level. If consumer confidence starts to dip, retail spending will suffer. If that starts to happen Victoria will go into the sort of spiral created by the previous Labor government, which, as all honourable members know, ended up leaving Victorians with a \$32 billion debt and an annual budget deficit of \$2000 million. That is what can happen when the economy slows.

I invite honourable members to look at the annual financial statements tabled last week. If they do they will see there was a rise in state government revenue because of the increase in business activity and an overall growth in the economy. Where did that growth come from? It came from confidence and Victorians' belief that by investing they would make a buck. The government needs to set that environment. As I said, almost half the small business proprietors believe the election of a minority Labor government was a bad outcome for Victorian small business.

The government has a big task ahead of it. The challenge is to convince Victorians that it knows what to do and how to do it. The motion calls upon the government to outline its plans to remedy the slump in confidence. The opposition will be interested to hear what the government plans to do. This is the government's opportunity to explain to the house what it plans to do to address the fundamental issue of keeping the economy moving in the direction in which it needs to go.

Why was the previous government so successful in keeping confidence high? There were a number of reasons, some of which related to the actions of government — and it is those I will briefly outline. The first was that the former government set out to create a positive business ethos. Victoria was open for business and on the move. The government decidedly and optimistically advocated for small business and investment, and spin-offs flowed from that. It deliberately set out to promote growth in jobs and investment, to improve export performance, to develop a skills base for the next century, to take Victoria online and to secure and manage major events — and Victoria got the spin-offs that came with them.

As I understand it, the new member for Geelong Province proudly declared that she did not want a rowing venue in her city, and I see the honourable member nodding her head. Not only did she not want

that capital investment for Geelong, she did not want small businesses to enjoy the spin-offs that would have resulted every time an event was held at the facility. Not only did she deny the people of Geelong the employment that would have been created by the facility's construction, she denied them the opportunity of participating in the ongoing benefits of its operation year after year.

The opposition makes no apology for securing and managing major events when it was in government. I am pleased to see that the Premier has decided that the grand prix at Albert Park is a good idea. I trust the Deputy Premier will now take down the yellow ribbons hanging outside his house. How one changes when one gets into government!

I do not want to put too fine a point on it, but Victorians are already beginning to see, are they not, a backing away from the ALP's rhetoric.

Hon. R. F. Smith — It was publicly stated at Albert Park.

Hon. BILL FORWOOD — The ALP was firmly against it. The record shows that the Deputy Premier hung a yellow ribbon around the old front post! However, as I said I am pleased that the Premier has decided that holding the grand prix at Albert Park is a good idea because of the \$93 million spin-off benefits it brings to Victoria. I am also pleased that he is seeking to keep it here. He obviously understands that he needs to send those messages, and that part of the government's problem is the conflicting messages it has been sending.

I do not want to criticise the Minister for Small business about that matter, but it is important.

Hon. T. C. Theophanous — Why don't you move a motion supporting it?

Hon. BILL FORWOOD — It is pretty obvious what I want to say. I am trying to encourage the minister to get it right in the interests of all Victorians. Question time yesterday was disappointing. The minister had a number of opportunities to say, 'Yes, I am the Minister for Small Business, and yes, I believe in what small business does. This is what I will advocate on behalf of small business'.

Hon. N. B. Lucas — She handpassed it!

Hon. BILL FORWOOD — Whoosh, as quick as she could. I will quote from Labor's small business policy.

Hon. T. C. Theophanous — I love your quoting our policy. If you pass it over to me I will read it out, too, after you have finished.

Hon. BILL FORWOOD — Do your own research! The policy states the following about affordable workers compensation premiums:

Labor is strongly committed to a workers compensation system that provides fair and just compensation —

as we all are.

At the moment too little recognition is given to those small and medium-sized businesses that are providing their employees with a safe and healthy workplace.

The minister nods her head. She believes that too little recognition is given to small and medium-size businesses. The policy further states:

Labor will introduce workers compensation premiums that better reward the efforts of those small businesses providing a safe and healthy workplace.

Again the minister nods her head.

Hon. M. R. Thomson — Correct.

Hon. BILL FORWOOD — Yesterday my colleague Mr Katsambanis asked an explicit question about workers compensation premiums. Labor's policy says it will reduce workers compensation premiums for small businesses and provide safe and healthy workplaces. When the Minister for Small Business was asked a question about that her immediate response was to use the old handpass — quick, get rid of it. She said nothing about advocating for small business or getting up on the soapbox and arguing vigorously on its behalf.

The minister's response was to flick pass it next door. When the minister was picked up, what did she say? 'Yes, I will argue on behalf of small business in the forums'. The same thing happened when another question was asked by Mr Hallam about seriously injured workers.

Those issues are fundamentally important to small business. If the government continues to send out the message that it does not care about small business, the plummet in confidence that Victoria has seen in the month since Labor came to government will continue — and the opposition knows what will happen then. The minister knows what will happen as well as I do, as is demonstrated by the rhetoric in her policy.

Minister, it is crucial that you do not send conflicting messages. It is crucial that the minister not say one

thing and do another. It is vital that people out there know that the minister is on their side.

Hon. M. R. Thomson — People out there know that, Bill.

Hon. BILL FORWOOD — ‘People out there know that, Bill’, is the minister’s contribution so far. We look forward to her expanding on that during the course of the debate.

One month ago, on 24 October, an article appeared in the *Sunday Herald Sun* under the heading ‘Business as usual: Labor’, with a nice picture of the minister with the word ‘priorities’ under it. The article states:

The new Minister for Small Business ... told the *Sunday Herald Sun* that one of her first priorities would be to appoint a mini round table, the council of small business representatives.

The size and make-up of the council has not been finalised, but it will have representation from different regions and industry sectors.

The council will be a peak small business consultative group ...

That was a month ago. The minister has responsibility for small business and consumer affairs — I think that is all — and she has had a month to do something, during which time small business confidence has plummeted. What has the minister done? Yesterday we read her press release on consumer affairs, which the Premier repudiated half an hour later. Has the minister read the transcript of yesterday’s interview on radio 3AW? If she has she will see how fast her leader backed away from what she said. Was it a policy? No, it was made up of vague, airy-fairy thoughts.

What is the minister doing for small business? She has sat there for a month watching confidence plummet and has not done a single thing. I would not be so unkind as to suggest that the minister’s major responsibility is her leadership of the Centre Unity faction of the Labor Party or that she would put her factional hack duties before her obligations as a minister of the Crown.

Hon. Jenny Mikakos — Mr President, on a point of order, Mr Forwood is not addressing the motion. It is about time he got to the point.

Hon. BILL FORWOOD — On the point of order, yesterday I did not get the opportunity of congratulating the honourable member on her inaugural speech, which gives her the right to take points of order and make interjections. There is absolutely no point of order. I am addressing the motion absolutely, completely, line by

line and word by word. If the honourable member wants to make an idiot of herself, she can do so again.

The PRESIDENT — Order! We can do without the gratuitous remarks. There is no point of order. I have been listening to the honourable member’s speech. He is dealing directly with the minister’s role as the advocate for small business in the state. I do not uphold the point of order.

Honourable members interjecting.

Hon. BILL FORWOOD — I will not be distracted from the point I was making when the honourable member for Jika Jika raised her point of order.

This important issue is about small business confidence, priorities and doing the right thing. As a minister of the Crown, the Minister for Small Business must get her priorities right. On the last page of the policy document ‘Taking Care of Small Business — Encouraging a Vital Part of Victoria’s Economy’, which formed part of the rhetoric the Labor Party put out in going to the people on 18 September, this appears:

A Bracks Labor government will immediately and retrospectively close legislative loopholes which allow large retailing chains to accumulate more than 8 per cent of the total number of packaged liquor licences.

The word ‘immediately’ leaps out — what does it mean? Does it mean a week, a month, two weeks or the first term of government?

Honourable members interjecting.

Hon. BILL FORWOOD — I return to my earlier point about conflicting messages. Wasn’t the promise on class sizes that no class would have more than 21 students? That one has gone quickly. Now it is about ‘an average of’.

Hon. N. B. Lucas — What about AFL park?

Hon. BILL FORWOOD — We dealt with that a couple of weeks ago.

Honourable members interjecting.

Hon. BILL FORWOOD — The minister has to convince those in the small business sector that she is their advocate and that she is not advocating on behalf of the faction or allowing herself to be sidetracked by the efforts of other ministers.

The minister raises her eyebrows. I will make the point clear. The Minister for Small Business will find that there are conflicting interests in cabinet. She will find

that the Minister for Industrial Relations, representatives of Treasury and others around the cabinet table have a different agenda or views from hers.

Hon. B. C. Boardman — On, say, planning issues.

Hon. BILL FORWOOD — Yes, planning is an interesting issue, as are land tax and sales tax. They are all important, but people in small business need their own advocate. The minister's factional colleague and a former member of this place, the Honourable David White, had a wonderful saying that applied to the last Labor government. He said that in any cabinet of 18, 6 are swimming, 6 are treading water and 6 are drowning.

Hon. T. C. Theophanous — Which were your six?

Hon. BILL FORWOOD — We are talking about the Labor government. I think his saying that six were swimming was over the top. Who was swimming in the last Labor government? Those who were swimming were probably using floaties, as one of my colleague said.

People in small business do not want a drowning or floating minister. They want a swimmer — that is, a minister who is prepared to meet with them and say and do things. They want a minister who is prepared to get costs and regulations down and turn the confidence factor up, not down. They want a minister who has the capacity to be involved, to say her bit, to be their advocate and to put to one side her own views and those of the unions — —

Hon. R. F. Smith — And big business.

Hon. BILL FORWOOD — Obviously the advocate for small business cannot be an advocate for big business, can she? The Minister for Small Business faces challenges, including reacting to the behaviour of others. The minister will be judged by what she does as well as what she does not do. At the moment what she is doing is little enough and what she is not doing is obvious for all to see.

The former government was successful in substantially reducing the cost of doing of business in Victoria. It saved \$80 million a year in Workcover charges, reducing the premiums over the years from an average of 3 per cent to 1.8 per cent. It removed mortgage stamp duty on the refinancing of small business loans, and at the same time local government rates came down, as did water bills and electricity costs.

The minister will need to be involved in advocating on behalf of small business when it comes to the total deregulation of the electricity market in 2001. She is probably aware that work is going on here at the moment and her role will be to look after the interests of small business. It is a crucial area. One would hope that she will be out there doing that.

Payroll tax came down under the Kennett government from 7 per cent to 5.75 per cent, and the opposition looks forward to it coming down further. The Kennett government reduced land tax rates and cut regulatory red tape. Some 60 per cent of regulations impacting on business were removed. The number of new regulations introduced each year fell by more than half — from 352 in 1992 to 171 in 1998. Some 126 business licences were abolished under the Kennett government.

The minister stated in her policy document, *Taking Care of Small Business*, that she would create a partnership with small business and establish the Council of Small Business Representatives. She has not done that. When will the council begin operating? Who will sit on the council? Will the minister have union representatives on it, and if so which unions?

Hon. M. R. Thomson interjected.

Hon. BILL FORWOOD — The minister is now on the record as saying there will be no union representatives on the small business council. That is excellent.

Creating a partnership, getting the policies in place, getting confidence up, creating a favourable climate for small business, making a commitment to a reduction in workers compensation premiums — these are the minister's challenges, her tasks. These are the issues that were put in her policy. These are the actions by which she will be judged, and in the long term she will also be judged on investment levels, failure rates, business registrations and start-ups. The minister will be judged by industry organisations on support for small business. She will be judged by the indebtedness of small businesses, by how long they operate and the degree of success they achieve. These are measurable facts — they are areas of influence within her domain. The minister will be judged every quarter by John Marsden and the Yellow Pages *Small Business Index*. She will be judged by us on behalf of all Victorians.

The problem the minister faces is that through no fault of her own, other than the fact that she has become the Minister for Small Business in a Labor government, small business confidence has plummeted. It is not easy

for the minister to sit there and think, 'Well I've done nothing'. We know that, yet business confidence has already plummeted. It is a stark contrast. Never in the history of the Kennett government did the confidence of small business sink as low as it has in the minister's first quarter.

The minister has a challenge in front of her. She has a platform that must be addressed and a constituency for which she is the advocate. The minister's challenge is to come into the house today, tomorrow, next week and next year, to go out into the community and meet with small business, and to go to the newspapers and outline what she will do to give small business confidence.

Hon. T. C. THEOPHANOUS (Jika Jika) — I begin my contribution to the debate by saying that this is another pitiful motion put forward by the opposition. It seeks to take advantage of one report and tries to blame the government for a shift in confidence over the past quarter. The reality is that the government has not been in power for a full quarter.

The motion effectively asks the minister to outline the Australian Labor Party policy that sets out what the government will do for small business, and I am sure the minister will outline that policy during the course of debate. As it has with so many of our policies, the government will move towards implementing it. The government was elected on the basis of its policies, and it has an obligation to implement them.

Since the election the government has become more popular. It is increasingly respected by many, including small business. Let's get some issues in perspective: the previous government crucified small business, particularly in regional and country Victoria. Every school, hospital, police station and bank that was closed affected small business in regional Victoria and affected the level of investment and the sense of community and confidence in those regions. That is why people voted in their thousands against the Kennett government. They voted against you!

The former government increased Workcover premiums for 30 per cent of small businesses, despite the overall reduction in premiums. Workcover reforms completely devastated workers and reduced benefits to the lowest and most inhumane level in any state. There was no benefit to small business from reduced premiums. Big business benefited. That is what the former government was about — the big end of town. That is why small business voted against the Kennett government. Red tape regulation increased dramatically, not decreased.

The final straw for small business is that it will be hit with the goods and services tax. As the small business survey identified, above all else the GST is the major concern for small business.

Opposition members interjecting.

Hon. T. C. THEOPHANOUS — Opposition members have relied on this survey for the entire debate.

The survey identified that the major concern to small business was not the Victorian government or the change in government but the goods and services tax. So it should. For that reason, I move as an amendment:

That the following words and expressions be added to the motion:

'and, recognising that the effects of the GST are largely responsible for the reported quarterly decline, supports her endeavours in seeking compensation for its impact'.

I look forward to opposition support for the amendment, which encourages and supports the government in seeking to obtain a better deal for small business on the GST and its associated compliance costs. If the opposition is seriously interested in small business confidence it will support the amendment because it will deliver a better deal for small business than what is currently in place.

The federal government has offered a \$200 voucher to small business as compensation for the GST. What a pathetic response. Firstly, the voucher will be of no use to the small businesses that have already geared up for the GST. Secondly, the amount of the voucher is totally inadequate. In August this year the Certified Practising Accountants small business survey found that:

The average expenditure to date reported by businesses to get themselves GST ready was \$553.

That was the average expenditure in August this year that small businesses had already spent, yet the federal government is offering a \$200 voucher! The survey reports that the:

... average expected expenditure to get business GST ready was \$2618.

Even if one takes into account the \$200 voucher, that is a tax on small business of \$2400. It is clearly inadequate. The same survey identified that the:

... average time business expected to spend to become GST ready was 64 hours —

that is the time small business had to prepare for the GST —

[and] 72 per cent of businesses believe that there will be training required for staff members for the GST.

Small business will have to spend time training staff, changing prices and putting in place new compliance systems to take account of the GST. The survey shows that the cost on average will be \$2600. Instead of protesting on behalf of small business for the impost that is not compensated for by the federal government the opposition moved a feeble motion that lays blame on the present government for a quarterly decline in small business confidence in the small business index.

The Yellow Pages survey must be put into perspective. In a relative sense confidence is more favourable in Victoria than in other states, such as Queensland, South Australia, New South Wales and Western Australia. Victoria has a higher confidence level than those states.

Not only that, in his contribution Mr Forwood mentioned a figure of 45 per cent. Rather than extrapolating that figure one must take a much longer period into consideration. One year ago the figure for the quarter was 44 per cent. Now it is 45 per cent. On a longitudinal examination of the figures, one would have to say there has been a decline, but whether that will remain will depend on certain circumstances. Nevertheless, the decline is directly related to other issues, such as fear of rising interest rates. Because of that, small business is concerned. Small business is sensitive to rises in interest rates. If, as has been mooted, interest rates increase that will have an effect on small business confidence because when interest rates rise costs increase. If one adds projections about inflation and other matters, one realises the federal government should examine what it is doing with the national economy to ensure that interest rates do not rise.

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS — Mr Forwood may not think it is a big thing, but I am sure small business is concerned about rising interest rates. The survey indicates that the GST is of prime concern. It rates as a high concern in other states and in Victoria it rates at 17 per cent.

Some 57 per cent of small business proprietors nationally are identified as being worried about the complexity of the tax. That indicates that a significant portion of small business is having problems coming to grips with and implementing the GST. It is consistent with the finding that 57 per cent of small business proprietors feel they do not know enough about the tax to judge how it will affect them. Indeed, only 29 per cent believe they have adequate knowledge of the GST.

Small business has been offered \$200 vouchers but the survey reveals that something like 57 per cent of small businesses have already made purchases of items such as software in anticipation of the GST. The voucher will not be of much benefit to them. It will be of little value to the small business person who expects to spend as much as \$2600 on implementing the GST. That is a conservative estimate because other figures estimated for the cost of complying with the GST vary from \$3500 to \$8000 — a significant figure for small businesses and one that ought to be taken seriously. It is certainly being taken seriously by those on this side of the house.

The opposition is caught up in the problem because the federal Liberal government is imposing the GST on small business and forcing it to collect the tax. The opposition does not want to criticise the federal government. Therefore it is not prepared to ask for support for small business.

The Yellow Pages survey reflects just how much the Kennett government favoured the big end of town on issues that count for small business. The Labor government will seek to have small business represented. Unlike the previous government it will listen to the voices of small business. Even the survey shows that the government did not listen to small business as much as it did to the big end of town.

The Minister for Small Business will outline how Labor will address that. It will start by giving small business a voice on the infrastructure planning council. The Labor government understands the need for the community to have the widest possible input into the planning and development of the state's infrastructure, and small business is part of that. A total of 47 per cent of the national sample in the Yellow Pages survey agreed that government tendering processes are unfair to small businesses. Small businesses had a longstanding objection to the way the previous government treated them. Unless you were in the know or from the big end of town you did not have much of a chance of getting the contracts that were being handed out. There is a need for transparency but the previous government continually hid behind notions of commercial in confidence. There was no transparency in the way contracts were handed out. That is reflected in the Yellow Pages survey, which found that 47 per cent of the sample agreed that government tendering processes were unfair to small business.

When Labor looked at those issues it looked at the overall situation. Unlike the previous government the Labor government listens to small business in metropolitan and regional areas and will ensure that

they are given appropriate opportunities to voice their concerns.

I will contrast that with some of the things that happened under the previous government. Mr Forwood read out sections of the small business policy of the Labor Party. Obviously he was fairly impressed by the document — it is comprehensive and impressive. I detected a note of envy on the part Mr Forwood as he read out Labor's policy. Although it is not new it was carefully thought out. Page 3 states:

Labor has always understood this responsibility and was the first government in Victoria to give the sector its own ministry.

Labor has long been concerned about small business and supported it. Mr Forwood's contribution was, to say the least, shallow. He led only one argument and that was based on the Yellow Pages survey. He did not go into the detail of the survey's findings. Had he done so he would have identified some of the issues with which small business is concerned. The one thing he did identify was that the government is committed to support legislation to cap the major retailers at 8 per cent. That was the subject of ongoing debate in this house during the term of the previous government and it was raised a number of times. The Labor opposition sought an assurance from the then Minister for Small Business that she would cap the retailers to 8 per cent. The then minister was asked to introduce legislation to ensure that occurred.

The current opposition takes exception to the fact that Labor said it will do what the former government failed to do, despite repeated requests from the then opposition. The former opposition asked that the matter be clarified and that the 8 per cent ceiling be implemented. After continuous requests that the previous small business minister do something about it, what did she do? She stonewalled! Given that it was not prepared to support it when Labor raised it in opposition it is an absolute cheek on the part of the current opposition to raise the issue.

The opposition says to the government, 'You said he would do it immediately.' It wants to know the definition of 'immediately'. I challenge Mr Forwood to commit the opposition to supporting the legislation introduced to clarify this point. It is a simple request. The opposition criticises the government for not introducing legislation immediately, but Mr Forwood is not prepared to indicate whether the opposition will support the principle. The government will look forward to Mr Forwood's contribution to the debate on legislation introduced to amend these anomalies. It is a cheap shot to suggest that a policy document that

indicates an incoming government will do something immediately means it will do it the next day. It is in the policy and the government will deliver on the policy commitments with which it went to the people.

Small business has been dramatically affected by the dominance of large retailers. The previous government contributed to the dominance of large business by allowing 24-hour trading on the basis that it wanted to free up competition. It knew that in doing so large retailers would gain a competitive advantage, because large retailers have a much larger capital base and can involve themselves in predatory pricing practices, yet it did nothing to protect small business from the onslaught of those practices following the introduction of 24-hour trading.

Strip shopping centres are continually being eroded. Small businesses have to fight hard to stay open, and staying open 24 hours a day is impossible for most. Corner grocery shops will not stay open for 24 hours a day, nor can they involve themselves in the same sort of predatory pricing practices undertaken by larger chains.

An article in the *Australian* of 31 August states:

Alan McKenzie, National Association of Retail Grocers of Australia spokesman, said the decision not to cap the market share of the Coles, Woolworths and Franklins chains was disappointing.

He predicted the issue would 'remain high on the political agenda until the next election', particularly in marginal rural and regional electorates.

Small businesses have been suffering, particularly in marginal rural and regional electorates, which is why small business proprietors voted against the former government.

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS — Opposition members have not caught up yet. Small business proprietors voted against the former government because their businesses have been suffering.

The Yellow Pages survey of voting intentions indicates that 11 per cent of undecided small business proprietors finished up voting for the Labor Party because they did not have any confidence in the previous government. Time and again the previous government has attacked small business. Mr Forwood talks about regulations, but under the previous government regulations for small business were increased, not reduced. An article in the *Australian* of 12 January under the heading 'Howard fails small business' reports on the increased number of regulations.

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS — Mr Forwood obviously agrees that the Prime Minister has failed small business. The article states:

Red tape and its ever-tightening impact on small business is the Achilles heel of the Howard government.

It further states:

Now along have come these unbelievable 1500 rules which have been added to the statute books in the 12 months of 1997–98.

Where was the previous Minister for Small Business when these regulations were added to the statute books? Why was she not complaining to her federal counterpart about the 1500 new rules? The article further states:

And these come ahead of the proposed tax package and goods and services tax which will undoubtedly, even for the first one or two years after introduction, add to the time lost in completing government-related paperwork.

It will mean more paperwork, more compliance and more regulation. The article further states:

... only a net 1 per cent of small businesses believe the Howard government policies were supportive.

Just after the 1996 federal election, a net 36 per cent of small business proprietors believed the government's policies would be supportive.

A loss of 35 per cent of small business support for the federal government must have an effect on small business confidence, especially with the impending introduction of the goods and services tax (GST). That is why small business identifies the GST as a major concern.

The previous government cannot say, as Mr Forwood tries to say, 'This has nothing to do with us; this is the Howard government'. It does have something to do with the former Victorian government. It has to do with whether former ministers were prepared to fight for Victoria's interests; whether they would get on the telephone and say to the Howard government ministers, 'Your \$200 voucher is inadequate'. It has something to do with whether former state government ministers would say to the Howard government that the 1500 new regulations were inappropriate and place a too-heavy burden on small business. The previous Minister for Small Business made no criticism at all of the Howard government and its impost on small business. Small business has said that it is unhappy with the proposed GST and the changes introduced by the

Howard government, as is reflected in the Yellow Pages survey.

It is true that the Labor government's policy on Workcover premiums is to provide better premium structures for small business. Prior to the introduction of the Workcover system by the former Kennett government, the Industry Commission — a body that is not pro-worker — issued a report on the running of an effective economy in a competitive environment. The commission recommended a two-tier structure for premiums and said it was inappropriate to have the experience rating structure for small and medium-size businesses. Its recommendation was based on a small business not having an accident for 20 years but then having one major accident resulting in a claim of perhaps \$1 million. The commission believed it was inappropriate to fully reflect that in the premiums applying to a small business.

It recommended that the previous system apply to small business and the experience rating system apply to larger business. However, the former government introduced one system for all business. The consequences of that decision — this is important — were that because some sort of industry average had to be reached some 30 per cent of small businesses saw their premiums increase, in many cases year by year, despite experiencing no accidents at all. Premiums paid by small businesses in a particular industry had their premiums pushed up by 7, 8, 9 or 10 per cent of their payrolls while premiums paid by large businesses declined to as low as 1.5 per cent.

The former minister responsible for Workcover was the person who spearheaded the increased premiums for small business. He was the person who devastated workers, introduced a system that was patently unfair to workers and gave no benefit to small businesses through reduced premiums. I cite an additional critical figure that members opposite should listen to as it reflects — —

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS — There may be a marginal or slight decline in premiums for some other small businesses but nothing compared to the decline that occurred for large businesses to the cost of the workers. Small businesses with payrolls of less than \$1 million now pay 60 per cent of the overall premiums collected from employers compared to 50 per cent five years ago. That statistic clearly shows that in the overall pool of premiums collected small business now pays proportionately 10 per cent more than it did five years ago. That is the former Kennett government's

Workcover legacy to small business. Workers received no benefits. Is it any wonder that small business has had a gutful?

I turn to the impending costs to small business referred to by the opposition. The government is aware that the regime now fixing the price of electricity for small business is about to end. Because of the arrangement put in place by the former government, when that happens the electricity companies can charge whatever extraordinary amount they like.

It is a very simple proposition: the cost of providing electricity to regional Victoria is greater than the cost of providing it to the metropolitan region. There is nothing more certain than that.

No arrangements were put in place by the previous government to protect small businesses in regional Victoria in the event that these additional costs of delivering electricity to the regions are passed on following deregulation by the electricity companies. The government has been left with the task of trying to repair the mess that will be created and look after businesses in regional Victoria.

I remember moving a motion in this house seeking the support of the previous government to guarantee that electricity prices would not increase in regional Victoria following the deregulation of electricity prices following that government's reforms. The motion was voted down.

Hon. E. J. Powell — On a point of order, Mr Deputy President, the amendment is very specific. For the past 10 minutes the honourable member has spoken about Workcover and is now going on about electricity. I ask that you bring him back to the amendment.

Hon. T. C. THEOPHANOUS — On the point of order, Mr Deputy President, I was speaking on both the motion and the amendment. The motion is about confidence in small business. One of the factors that might be of concern to small business would be the increasing price of electricity in the future, and it is appropriate to discuss that in the course of the debate.

The DEPUTY PRESIDENT — Order! On the point of order, I have listened intently to the honourable member's contribution. There is no point of order because the notice of motion and the amendment are quite wide in their application.

Hon. T. C. THEOPHANOUS — I will conclude my remarks. The government has a significant job ahead. It involves working with and listening to small

businesses and trying to get their concerns heard and dealt with. It is about working with small businesses, particularly in regional Victoria, to maintain the momentum in the economy. The government will do that, but there are a number of obstacles it needs to overcome. It must address the question of the possible impact of electricity deregulation. Electricity costs are likely to increase if nothing is done in regional Victoria.

Hon. R. M. Hallam — How will you know that?

Hon. T. C. THEOPHANOUS — I am happy to educate the honourable member on why that will happen. The costs of delivering electricity in regional Victoria are higher than in the city. Those costs will be reflected in prices when the price constraints have been lifted. The government accepts that challenge and will seek to ensure electricity is delivered at a reasonable price to small business in regional Victoria.

The government is also about building regional communities, ensuring schools remain open and are effective, hospitals are maintained and health care and community policing are delivered effectively. All those things are part of building confidence necessary in regional Victoria for investment to take place. The government is concerned about small business and believes the \$200 voucher is totally inadequate to alleviate the impact of the goods and services tax. It is keen to make representations to the federal government on that issue and will do so.

The amendment identifies the principal concern of small business and seeks the support of the house in making strong recommendations to the federal government for additional resources for small businesses. I urge honourable members to support the amendment so that the government can get on with the job of helping small business to deliver in this state.

Hon. W. I. SMITH (Silvan) — The amendment moved by the Honourable Theo Theophanous cannot be supported because his facts are wrong, particularly two facts that are the basis of his argument.

The first incorrect fact concerns the goods and services tax. A federal government press release headed 'Multimillion dollar boost to peak bodies to ease GST transition' states:

The GST start-up assistance office is finalising contracts worth more than \$95 million with peak sector bodies to help small and medium businesses, community bodies and the education sector get ready for the GST.

The chairman of the new Tax System Advisory Board, Chris Jordan, said the \$95 million in assistance would ensure that peak bodies covering small and medium-sized businesses,

community bodies and the education sector would receive funds to help their constituents make the transition to the new tax system.

The statement by Mr Theophanous of the amount of money going to small to medium-size businesses was inaccurate.

The second incorrect fact is his premise that the results detailed in the Yellow Pages *Small Business Index* were due to the GST. They were not.

The question put to business was in regard to the assessment of Victorian state government policies. It had nothing to do with the federal government, federal tax policy or GST. In November 1998 in Victoria the figure was 22 per cent, and by 1999 it was down to minus 5 per cent. The survey was looking at business confidence in the state one month after an election.

It is worrying that small business has lost confidence in the government and believes a slump is coming as 60 per cent of people in the private sector are employed in small businesses — a large group whose employment will be affected. In the electorate of Silvan, for example, 51 per cent of workers are employed in small business.

The Honourable Theo Theophanous asked what the Kennett government had done for small business, so I put on record the Kennett government's achievements on behalf of small business during its term of office. It had strong policies and a strong commitment to small business and created a stimulating economic environment for all business — particularly small business. That is why we had a Minister for Small Business.

Honourable members interjecting.

Hon. W. I. SMITH — Since 1992 the Kennett government looked at improving the economic environment: it wanted to instil greater confidence in the state so people would invest; so businesses would grow; so job opportunities would increase; and it did!

Debt went from \$32 billion in 1992 to \$6 billion; state finances were credible, with a renewed AAA rating after losing the rating in 1992; public sector accounting was reformed; accrual accounting — common in the private sector but not in government — was introduced; shopping hours were deregulated by Mr Birrell when he was the relevant minister: small business started to grow.

The opposition acknowledges that the viability and dynamism of small business is central to growing the Victorian economy. Further, small business, not big

business, is the fastest grower of employment, so it must be encouraged and nurtured.

It is no accident that those things occurred. The Kennett government came to government with a policy to grow the small business sector. In 1992 Victoria had 210 000 small businesses, about 96 per cent of which were enterprises; 60 per cent of the private sector work force is involved in small business and it produces more than 40 per cent of the gross state product. Between 1994 and 1995 the number of small businesses in Victoria increased by 14 700, or around 8 per cent, compared with an Australia-wide increase of 4.3 per cent, so the policies of the Kennett government were working. The number of small businesses in the state doubled in percentage terms. During the corresponding period in Victoria there was an increase of 7.7 per cent of people employed in the small business sector, taking the small business work force to 684 000 people. While Victoria was experiencing a 7.7 per cent increase in the small business work force, the national increase was 2.2 per cent. That shows the former government's policies were working.

It is no accident that both the number of small businesses and employment increased. The former government's strategy was to get small business going, and to achieve that it did three things. Firstly, it examined the economic fundamentals of the state and tried to get those right, and I have mapped out how that was done. Secondly, it reduced the number of regulations affecting small business because at the time they were extremely onerous and the red tape involved was unacceptable. Thirdly, it established a culture that recognised the important role small business played, paid tribute to those who were creating employment in this state, fostered corporate entrepreneurship and encouraged Victoria's young people to consider the small business sector as a real option for providing jobs and creating employment opportunities.

As a result of that economic reformation there was a 6 per cent rise in worker production. Nationally, Victoria recorded the second-highest jobs growth. Between February 1996 and February 1997 business investment in Victoria increased by 29 per cent, and in the year to September 1996 business investment in Victoria was way ahead of investment in other states. Victoria's exports increased by 63 per cent over four years, which was double the rate for the rest of Australia. How will the government continue those trends? What are its policies?

The former government also reduced stamp duty on share transfers by \$9 million, removed mortgage stamp duty on the refinancing of business loans and cut the

number of business licences required by businesses in Victoria by more than 23 per cent.

The former Minister for Small Business, the Honourable Louise Asher, initiated the business licence information system in an attempt to help small business. She put \$220 000 towards establishing that system to expand the existing federal and state information database by including local government regulations and licences. As a result, by making one telephone call small businesses can find out which licences or permits they need. That system currently receives approximately 200 000 inquiries per year. Will the government continue that system? What are its policies on communicating with small business?

I have already outlined one of the major concerns the former government had when it came to office, which was the regulations and red tape that small business had to deal with. Under the previous Labor regime, the total number of regulations affecting business soared to 1241 in 1987. In 1996 that number had been reduced to 494. Over that period the Kennett government reduced the regulations affecting small business by 60 per cent. From 1993 the number of new regulations that have been introduced has fallen by 40 per cent compared with the period from 1989 to 1992.

Victoria is recognised as having the best regulation-making system in Australia as a result of its regulatory impact statement process. The former government also introduced the concept of the one-stop shop. The one in my electorate, Business East, embraces local, state, metropolitan and regional governments, looks after small business by offering advice on accounting, legal, financing and regulatory matters, and acts as a great networking system. Many small businesses, particularly home-based businesses, that do not have the necessary knowledge and resources go to the one-stop shop, where they are linked with a range of other businesses from across the region to gain knowledge and advice. That was an important initiative.

The former government consulted with small business by establishing the small business round table, which at the grass-roots level facilitated an exchange of ideas and policies between the operators of small business and the state government. Will the government continue that practice, or will it disband it and replace it with its new small business council?

The former government recognised the contribution of small business operators who were out there creating jobs by initiating awards such as the annual Telstra awards and the Victorian government small business

awards, which was a unique way of recognising excellence in small business.

The former government also initiated the Small Business May program, under which the whole month of May was devoted to celebrating the 210 000 small business operators working in Victoria.

Hon. W. R. Baxter — We heard a lot about it each May, too.

Hon. W. I. SMITH — We heard a lot about it week after week. The program raised the profile of the small business sector and promoted its importance.

The former Minister for Small Business also took the hard decision to review the retail tenancies legislation. The Retail Tenancies Act had been reviewed three times — twice under a Labor government. No-one affected by the act could reach agreement on its operation. The act was a hot potato that nobody wanted to touch. The whole area was a mess. Many small businesses in big shopping centres were going to the wall: they could not afford the legal imposts and they did not understand what was going on.

The former minister set up a working party, which I was fortunate to chair. It worked on the legislation for four months and consulted widely. The working party visited country areas and all the major shopping centres. It advertised for submissions in daily, metropolitan and regional papers. The working party allowed anyone who wanted to present a point of view to address it, no matter what his or her view was.

When the working party visited a shopping centre, invitations to the meetings were hand delivered to each shop door in the centre, because it was found that some of the invitations that were sent to the large shopping centres were not reaching the small retailers.

Hon. M. R. Thomson interjected.

Hon. W. I. SMITH — I am just trying to explain how inclusive and extensive the consultation was. The working party had representatives from all areas of the retail industry — large, small, and medium-size businesses — as well as an independent person who was a small business operator in a large shopping centre.

The public consultation was wide ranging. Members of the working party talked to retail associations and anyone else in the community who wished to speak with us. We received 100 written submissions and spoke to over 170 individuals and groups. We tried to strike a balance between a tenant's need for security of

tenure and the property owner's right to manage and develop a vibrant shopping centre. The right balance had to be struck to enable the major shopping centres to work.

That was the first time in 12 years that all the peak groups in the small business industry in Victoria had sat around a table and produced a set of recommendations to put to the minister. It was a major breakthrough, and the recommendations were unanimous. Their aim was to ensure that all the information relevant to the making of informed business decisions was available to both lessors and lessees before both parties signed leases.

The working party believed it was important that retailers understood the legal and financial implications of what they were getting into, because most did not. It was a surprise to find that most retailers had not read their leases. When they found themselves in contracts that were not working for them, they did not have access to a cheap arbitration system to resolve the issues. The working party had to come up with a cost-effective dispute resolution mechanism. It looked at what was happening in other states to find out about industry best practice and to come up with harmonised legislation.

I will list the many issues the working party considered to demonstrate the extent of the review. It looked at education, franchising, disclosure, rent, market rent reviews, rent adjustment, outgoings, length of assignment, compensation, changes to tenancy mix, disruption to trade, communication, urgent repairs, merchants associations, method of measurement and dispute resolution.

The working party was faced with a difficult situation that had not been solved for 12 years. The key reforms put into the legislation included full disclosure and the prohibition of the ratchet clause. That was important because under the 1986 legislation if retailers were experiencing economically bad times the ratchet clause did not allow their rents to go down. As a result rents were always increasing and never decreasing, no matter what the economic climate. Rent review provisions were included in the legislation. The most important change and the linchpin of the reforms was the introduction of an effective resolution procedure for disputes between landlords and tenants.

Aside from a major rewriting of the act, one of the things which came out of the working party's deliberations but which may not seem significant was the publication of a booklet so that anybody going into a retail business had all of the information in front of him or her. Many of those who signed contracts had

absolutely no idea of what they were getting into in a business or legal sense. The booklet tried to spell out everything that an individual needed to be informed about before signing a contract. It was a big breakthrough.

The reform has helped retail traders enormously. At a meeting last night a member of the Retail Traders Association suggested to me that not only the reforms I have outlined but also the former government's deregulation of shopping hours have put Victoria ahead nationally in retail turnover figures. Each month for the past two years Victoria has been the leader in retail turnover. Members of the industry consider that one of the main causes of Victoria's gaining that leading position is its deregulated shopping hours. It might be thought New South Wales has deregulated shopping hours because Sydney appears to have them. However, Victoria is the only state with comprehensive state deregulation. New South Wales has it only in some areas; it does not apply statewide. It is important to acknowledge that Victoria is still ahead in retail turnover, as it has been for the past two years.

In the past seven years we have seen an increased growth in home-based businesses, so much so that the Manningham City Council, which is in my province, has put out a home-based business strategy. It is a growth area that has improved markedly.

I will compare the May 1996 Yellow Pages *Small Business Index* with that for May 1999. The May 1996 index says the following about the national small business outlook:

Confidence sharply up ...

Upturn in major areas of small business activity in past three months.

Resumption of employment growth after summer pre-election pause.

Growth expectations firmer for sales and profits and stable on all measures.

In 1996 the small business outlook in Victoria was:

Sales growth stable and strong.

Employment growth resumed ...

Profit growth stable but expectations firmer.

Yesterday's media release by Dr John Marsden, the economic adviser to the Yellow Pages *Small Business Index*, is headed 'Vic Small Business Confidence Slumps'. It states:

The Victorian small business sector's confidence about the next 12 months has fallen to its lowest level for a year, according to the latest Yellow Pages *Small Business Index* ...

The survey — taken about a month after the election of the Bracks Labor government — found that approval of the state government's policies slumped 25 percentage points ... and there are now more proprietors who see the government as working against them, than those who see it working for them.

Hon. Bill Forwood — Working against them?

Hon. W. I. SMITH — Working against them.

Dr Marsden's media release continues:

The net negative 5 per cent figure is 16 percentage points lower than the worst quarterly result recorded by the Kennett government.

That is over a period of seven years. Dr Marsden also says:

... now the election is over, nearly half the state's small business proprietors believe that the election of a minority Labor government was a 'bad' outcome for Victorian small business, with only 17 per cent believing it was 'good' ...

For the past quarter, the state's small business sector recorded significantly lower growth in sales revenue, profits and sales.

I have read Labor's policy on small business and I cannot see any overall vision or direction in it. I see a range of wish lists drawn up by an opposition whose members probably did not think they would ever form government, but I cannot see a formulated overall strategy on which business has been consulted and which provides a vision of where the government wants to take business over the next three years. It is a mishmash of ideas; it is a bits-and-pieces document; and it contains a lot of motherhood statements.

I call on the government to outline and explain the policies it will introduce to turn around the slump in small business in Victoria. What are its goals and strategies? How will the government achieve them? What action will it take? Small business waits to hear the minister's answers.

Hon. E. C. CARBINES (Geelong) — In supporting the amendment, I will discuss the concerns small business people across Victoria have enunciated to the members of the Bracks government since it took office a month ago.

In doing so, I firstly assure members of the house that since taking office just over a month ago the government has received an overwhelmingly positive reaction from the Victorian business community. As a new member for Geelong Province I have received various letters from businesses and business community

representatives in Geelong congratulating me on my election and expressing a keen desire to work positively with me and with the Bracks government.

Two weeks ago, when Parliament last sat, the editor of the *Geelong Business News*, a monthly publication that is circulated to some 5000 businesses in Geelong, travelled to Spring Street to interview the Premier and the Geelong members of the Bracks Labor government — that is, Peter Loney and Ian Trezise, the honourable members for Geelong North and Geelong in the other place, and me. The interview was positive and the message was clear: it was pro-Geelong and pro-business.

Last week the Premier and the entire ministry spent a full day in Geelong as part of the government's commitment to hold regular cabinet meetings in regional and rural Victoria. Over the day, the Premier, ministers and the Geelong members of the government met with representatives of many Geelong businesses. In the afternoon the Minister for Small Business met with representatives of the Geelong business community to listen to their concerns, hopes and aspirations.

Last week saw the announcement of the 1999 Geelong — Buy Local Diamond Awards for Business, which I commend to the house. The awards are sponsored by the *Geelong Advertiser* group of companies. Anyone in the Geelong community can nominate a Geelong business, big or small, for an award for excellent service. An overall winner is chosen from the monthly winners, and the winner for 1999 was Rylock Windows of North Geelong. The company was commended for its excellent service, quality windows and attention to detail.

On Friday the City of Greater Geelong will open the Geelong embassy at Southgate, which is an initiative of the City of Greater Geelong to attract business and investment to Geelong. I congratulate the city and support that initiative.

The Bracks government is unashamedly pro-business, particularly pro-small business. The government recognises the importance of small business in employing huge numbers of Victorians.

Hon. Bill Forwood — How many?

Hon. E. C. CARBINES — You told us 800 000 this morning, Bill.

The government strongly supports the needs and priorities of small business. The policy document — —

Hon. Bill Forwood — On a point of order, Mr Deputy President — I am reluctant to do this but the practices of the house must be maintained. One can refer to honourable members by their titles — Mr Forwood, for example — or by their provinces, but it is not the accepted practice of the house to refer to people by their Christian names.

The DEPUTY PRESIDENT — Order! The point of order is upheld. Some leniency is shown to new members of the house, but it is the custom of the house that that rule be upheld.

Hon. E. C. CARBINES — The Labor policy document ‘Taking Care of Small Business’, which we took to the Victorian people at the recent state election, clearly states that in government Labor will advocate the cause of small business in its work with other levels of government and industry. Accordingly I speak in support of the amendment, because it is clear that the no. 1 concern of small business in Victoria is the goods and services tax (GST) the federal government will introduce from 1 July next year. I note that this concern is not confined to Victoria; it is a contentious business issue across Australia. The high level of concern about the GST expressed to the Bracks government by business groups is borne out by recent data such as that contained in the Yellow Pages *Small Business Index* for the November quarter.

On its business page on 22 November the *Geelong Advertiser* ran an editorial by Graeme Esler, the manager of the Geelong and south-western region of the Victorian Employers Chamber of Commerce and Industry, headed ‘GST compliance will hurt’. The article states:

A survey of businesses by Victoria’s peak employer group shows changing over to the GST will impose a significant burden on business.

Victorian Employers Chamber of Commerce and Industry chief executive Nicole Feely said the study of 326 businesses, ranging from small to large enterprises, asked them to quantify the dollar cost and time cost associated with meeting their GST obligations in the lead-up to 1 July next year.

‘The study found that the average expected compliance cost for a small business (less than 20 employees) was \$3500 and 80 working hours’, Ms Feely said.

Concern about the GST is identified by 70 per cent of small business proprietors across Australia. It is clear that the majority of the small business sector is either worried about or having problems with implementing the GST. Many small business people have told me they fear the complexity of the GST and are worried about the effect it will have on their businesses. Fewer than one-third of small businesses believe they have

adequate knowledge of the GST. In a climate of anxiety about the GST, how will the federal government address the high level of concern expressed by small business to anybody who cares enough to listen? Blow me down, the federal government plans to give small businesses a \$200 voucher to assist them to comply with the GST! What a joke. The sum of \$200 is a token effort by the federal government — it is lip-service. The estimates of GST compliance costs for small business are several thousand dollars. No wonder small business is expressing concern and loss of confidence with only seven months to go before the tax is introduced by the Howard government.

The government’s amendment to the motion seeks an increase in the assistance offered to small business by the federal government. This government wants the federal government to offer a realistic assistance package to small business to more easily facilitate GST compliance — not a paltry \$200 voucher.

The *Geelong Advertiser* article of 22 November further states:

To help businesses cope with the cost of GST compliance, it is also necessary to widen the criteria for immediate deductibility to include software, computers, tills and scanners ...

A realistic assistance package from the federal government, coupled with the small business policies of the Bracks government, will restore confidence in the small business sector. A strong, active small business sector, backed by a supportive Bracks government, is a key to Victoria’s job and wealth creation. The Bracks government will give small business the support it needs to grow and be profitable.

The government will establish a representative Council of Small Business, which will be a peak small business consultative body. The government will include small business in the infrastructure planning council. It will review the Retail Tenancies Reform Act to ensure fairer tenancy arrangements for small business. In recognition of the negative impact gambling has on small business, the government will stop the expansion of gaming venues in shopping precincts. The government will insist that small business impact studies are completed before major decisions about the location of new shopping centres are made.

These policies are an indication of the way the Bracks government is working to restore business confidence by listening to small business, not just in Melbourne — which is what the previous government did — but in regional cities and rural areas. Its policies act on the

concerns enunciated by the small business community. By supporting the amendment members will be insisting that the federal government also plays its part in restoring small business confidence, which has been eroded because of the burden of the impending goods and services tax. I commend the amendment to honourable members.

Hon. G. B. ASHMAN (Koonung) — I am the fifth speaker to contribute to debate on the motion and the amendment, and I note that the minister has not yet entered the debate. The motion provides the minister with an opportunity to outline her plans to remedy the slump in business confidence in Victoria that has occurred in recent months, which is evident from the Yellow Pages survey released yesterday.

The amendment to the motion is no more than a diversion. It has little relevance to the motion, and is on the border of not being relevant to it. The minister might tell the house what she believes small business to be. We have heard from Mrs Carbins that she believes a small business is a business with fewer than 25 employees. The minister did not through interjection offer any additional information.

Some 220 000 small businesses in Victoria employ more than 50 per cent of the state's work force. Small business employs far more than any other sector in the state's economy and plays a critical part. What is small business? What are its aims and aspirations? Firstly, what is the definition of small business? Is it 1 to 5 employees, 5 to 20 employees or 20 to 100 employees? Is it a turnover of between \$1 and \$100 000 or \$1 million and \$100 million? Are the companies substantially controlled by families or are they partnerships or franchises? What is the minister's definition?

Although much is heard about the retail sector little is heard about the manufacturing and servicing industries or the farming community; yet they are part of the small business sector. How will the minister pitch the range of services being proposed by the government and how will she embrace all the small business sector? What does the small business sector want? In many respects its needs are not much different from those sought by the broader business community. Small business wants a stable and growing economy — an environment in which to realise its aspirations, the provision of reliable utilities and reasonable service charges by the government. Small business wants transport and infrastructure. It looks to the government for referral, advice and a reduction in regulations. Small business dislikes the hand of government.

Hon. M. R. Thomson — And book work.

Hon. G. B. ASHMAN — That is true. Small business would be happy to do away with book work but recognises that it is a necessary evil associated with running a business. The previous government put a great deal of effort into ensuring that small business understood the need for book work, training, and continually learning and using that knowledge to grow. I encourage the government to continue with those efforts.

Small business is terrified about an unstable industrial relations environment. In recent weeks small business has been spooked by the spectre of the building and manufacturing unions mounting substantial wage claims. Nothing strikes greater fear into small business than the prospect of industrial disputation. The vast majority of small business is not unionised, largely because owners of businesses have a direct and personal association with their employees. They seek to continue that relationship. In recent weeks the construction unions have moved for more pay and shorter hours. They want a 24 per cent pay rise, a 9-day fortnight and a 36-hour week. If that is achieved it will put at risk the confidence of the small business sector.

Today's strike by the manufacturing unions in defiance of a federal court order will further shake the confidence of small business. The timing could not be worse for the small business and manufacturing sectors in the lead-up to the Christmas period with the just-on-time delivery system for retail sales and with manufacturers in full production to meet demand. They do not want a disruption that will interrupt the flow of goods and services. But that is what they are getting today. The minister should indicate what action she is taking to negate those fears and persuade the unions that this is not the appropriate time to be pursuing industrial action.

Hon. M. R. Thomson — We don't have jurisdiction.

Hon. G. B. ASHMAN — The state may not have jurisdiction but the minister can express an opinion to the union movement. Clearly with her former employment and connections she could talk to the appropriate people.

Business confidence has fallen to its lowest level. It is 16 percentage points lower than the worst quarterly figure recorded by the Kennett government. That has not happened by accident. Small business has had a look at the experience of the incoming government and taken the view that a period of instability is approaching

and will be adjusting business plans to take account of it. Over the past seven years the record has been good. Victoria has led Australia on almost every measure. In the June quarter, unemployment fell by 11 500 persons and employment increased by 37 900, a new record high. I hope that continues.

The Yellow Pages survey indicates a concern that it may not continue. Victoria has also recorded record export and investment growth. Without major investment coming into the state the jobs and prosperity of small business will not continue. Investment in Victoria increased 73 per cent over the past seven years, partly because of lower interest rates. However, the increase was also substantially achieved because of the business community's confidence in the direction the former government took.

Housing has also been a strong performer in Victoria. The state listed its share of dwelling commitments from 17 per cent in the early 1990s to almost 26 per cent in the March quarter of this year, which goes some way to explaining why the building industry in Victoria is booming. Once again, however, the indicators suggest that already people actively engaged in that sector are less confident.

I recently talked with people from the Master Builders Association of Victoria and from the Housing Industry Association. They are very concerned that the slowdown in Victoria is greater than the slowdown anticipated across the rest of Australia. The reason for Victoria slowing faster than the rest of the country needs to be explained. Victoria's employment record under the former government was very good.

Research and development has been another particularly successful area for Victoria. Victorian businesses now spend more on research and development than any other state, and that needs to continue. Last year \$1.4 billion was spent in Victoria — \$30 million more than in New South Wales. Those numbers are very significant because from research and development come new businesses, new jobs and new products. Everything flows out of R and D. However, absolute and total commitment is necessary for that to continue and grow. The effort of the previous government to build major health research facilities and attract international researchers back to Victoria needs to continue. Once again, I look to the minister for some indication of the government's commitment to the implementation of policies to ensure that continuity.

Small business is spooked. In my electorate, which covers a large proportion of the outer eastern suburbs,

many small business operators are saying their order books are slowing down. The number of new orders has declined markedly during the past four to six weeks. They are also concerned about the wages push and that their Workcover premiums will increase.

Workcover was and continues to be a major burden on small business. Some would argue that small business should be given special treatment. There is certainly a sound case for a small business to be given special treatment when an unusual incident influences its Workcover premiums. However, if the government proceeds as it is suggesting to bring common law back into the Workcover scheme, there can be only one outcome — a significant increase in premiums. Additional payouts cannot be made without additional premiums being imposed. I ask that such an increase does not go through to the small business sector.

The other issue that causes concern is the prospect of the return of unfair dismissal claims. Small business is concerned about the reintroduction of a state industrial relations system and the government's indication that it intends to bring back awards for state public servants. Such action may force small business away from employment agreements and back into the state award system, which proved to be very costly and inefficient. Small business needs a national standard for all awards, and the preferred position will clearly be one of employment agreements.

The Yellow Pages *Small Business Index* is the first major survey that has been conducted since the election of the Labor government. It is interesting to note the perceptions of state and territory governments, to which other speakers referred in some detail. I refer in particular to the statement that state and territory governments favour the big end of town. In Victoria that drew the lowest response of all states and territories with the exception of the Northern Territory. The Labor government said frequently that the coalition favoured the big end of town but clearly the survey does not find that is the perception of small business.

Another question was based on the statement that the tendering practices for government contracts are unfair on small business. Once again, Victoria rated very well; few people suggested that was the case.

The motion seeks to get an absolute commitment from the minister to be the champion of small business. At times that will present her with a challenge because as Minister for Consumer Affairs she will also want to be the champion of consumers. There may be conflicts. I note that the ministry has changed from fair trading back to consumer affairs but part of the coalition's

rationale in having a fair trading ministry was to say to the consumer, the retailer, the manufacturer and the business sector that business must be fair for all parties. It should be a transaction where each party gets a benefit. I put to the government that the change of name back to consumer affairs brings back the days when there was conflict between the business sector and the consumer.

Under fair trading the Kennett government achieved a better understanding of the need to have a fair and equal contract between the parties and for each party to gain a benefit. I commend those thoughts to the Minister for Small Business and the Minister for Consumer Affairs. Small business has memories of the old consumer affairs, and they are not good memories. It was not unusual for small business to be tied up for extended periods disputing claims in tribunals. Frequently the claims taken to tribunals were frivolous — another reason for small business and probably more particularly the retail sector to become concerned about where the government is going and to seek from the minister clear direction on small business policy.

Government members have referred to the introduction of the goods and services tax, but that is no more than a diversion from the major debate, which is about small business confidence and the plans the Minister for Small Business has to address the confidence and concerns of small business.

The Labor Party policy document comprises 10 or 12 pages, but it is full of clichés and talks of establishing advisory committees and panels. It does not state what action will be taken, what level of representation small business will have on the advisory committees or panels or what authority the committees or panels will have. Will the recommendations of the committees or panels be binding on the government? Will there be only token representation of small business representatives on the committees? Small business requires more than token representation; it must have an involvement and be part of the decision-making process. If it is not part of the process the government will not restore the confidence of the small business sector.

I have long been a vigorous advocate of small business. It would be easy for me to condemn the incoming government and make some political capital out of the Yellow Pages report, which indicates a slump in small business confidence, but I do not wish to do that. I want a clear indication from the government that it has an absolute commitment to foster and promote small business in Victoria.

Hon. M. R. THOMSON (Minister for Small Business) — In supporting amendment, I thank the opposition for giving me the opportunity to speak about the Bracks Labor government's small business policies. I have met many small business proprietors in a number of small rural towns and communities. One of the major concerns they have raised with me is the goods and services tax (GST) and its effects on small business. The GST is not only supported by the opposition, but it was championed by the former government. Recent surveys have revealed the real cost of the implementation of the GST.

Hon. M. A. Birrell — Tell us what you will do.

Hon. M. R. THOMSON — You will hear about it soon. According to a study by the Victorian Employers Chamber of Commerce and Industry reported in the *Age* of 17 November, costs could range up to \$9000 per business. Yet all the federal government has to offer small business to help it comply with the GST is a \$200 voucher system. Is it any wonder the federal government's compensation is regarded as inadequate given the view of the federal Minister for Employment, Workplace Relations and Small Business, the Honourable Peter Reith, that all small businesses needs to do to comply with the GST is have a few more columns in their cash books. That is not a view held by professional financial advisers, and is a real insult to small business operators.

If it is so simple, why is the Australian Taxation Office explanation leaflet on the GST 118 pages long and why does the two-page GST form require 20 separate calculations? No wonder today's report in the *Australian* claims that it is fears about the introduction of the GST that have turned small business into pessimists for the year ahead. A \$200 voucher is little value to a small business operator who has already become GST compliant.

As I have travelled around the small towns and provincial centres, Victorians have told me that they have spent in excess of \$2000 and in some cases close to \$6000 becoming GST compliant. For the small businesses that have not yet taken action \$200 is hopelessly inadequate. Let us not forget that the GST will mean that every Victorian business is a tax collector for the Howard government. It is regressive because it hits small business harder.

Victorian small businesses need access to fair and speedy compensation from the Howard government because small firms face larger tax compliance costs as a percentage of their total turnover than larger firms. The New Zealand experience suggests that the cost to

small business is many times higher than that for larger businesses. The most recent survey of small businesses conducted by the Yellow Pages survey released yesterday identified the GST as the equal highest concern of small business. This is the first time that an issue other than work or sales has topped the list of small business concerns. About 70 per cent of small business proprietors nationally are identified as still being worried about the complexity of the tax. Clearly a significant proportion of the small business sector are having problems implementing the GST. The survey indicates that only 29 per cent of small businesses believe they have adequate knowledge of the GST, and that 57 per cent of proprietors have already bought or expect to buy new software to help with the GST.

The Bracks government will continue to pursue the Howard government to provide adequate compensation and accurate and relevant advice which reaches those who really need it. The government will keep the pressure up by monitoring the impact of the tax on small business. It will create an environment in which a vibrant, dynamic and prosperous small business sector can thrive. The government will give the small business sector the support and encouragement it needs to get on with the job. Unlike its predecessor, the Bracks Labor government is committed to a cooperative and consultative approach to small business. The new Labor government is listening to small businesses in metropolitan, regional and rural areas. It will give them a voice through the Council of Small Business Representatives and give them access to high levels of government.

The small business sector will have specific representation on the Infrastructure Planning Council which will be established to ensure there is the widest possible input into the planning and development of the state's infrastructure.

Hon. M. A. Birrell — On a point of order, Mr President, it is clear that the Minister for Small Business is slavishly reading from a pre-written speech. She is not even looking up from her notes and is turning pages consistently. Standing orders states that ministers' responses must be spontaneous and personal. This minister's response is an affront to the attitude one expects of a good minister.

Hon. C. C. Broad interjected.

Hon. M. A. Birrell — I will deal with you if you interject on me. Keep it up if you like. The minister's response is not even responsive to the debate. It has clearly been typed before she had time to hear the debate and has been written by someone else.

Contributions are meant to be spontaneous and personal. Honourable members are not permitted to read their speeches. Mr President, I ask you to call the minister to order.

Hon. M. M. Gould — On the point of order, Mr President, the minister is obviously referring to notes. Mr President, you are well aware of the new technologies available to members of Parliament that allows them to make notes on computers and print out those notes. The minister is obviously referring to notes for her response to the debate.

The PRESIDENT — Order! The minister may read a second-reading speech. On all other occasions she may refer to copious notes but is not entitled to read her speech. Clearly, the minister is reading slavishly, which she is not entitled to do.

Hon. M. R. THOMSON — The Bracks Labor government will pursue its policy commitments and create a fairer environment for small business. The Yellow Pages survey reflects the extent to which the former Kennett government favoured the big end of town. The Bracks government will rectify that. As an example, the former government's planning decisions consistently favoured developers and larger traders.

Hon. M. A. Birrell — Stop reading. You are a minister now and should be accountable.

Hon. M. R. THOMSON — The government will insist that small business impact studies are completed and considered before making major decisions on new shopping centres and commercial and retail precincts.

Hon. Bill Forwood — Mr President, on a point of order, the minister is unmercifully flouting your ruling. She has continued to read her speech, having just turned the page. I ask that you call her to order.

The PRESIDENT — Order! The minister may refer to copious notes. I ask her not to read her typed speech.

Hon. M. R. THOMSON — Before the election the government announced that it would amend the Fair Trading Act by including a section on unconscionable trading. Tendering processes will be opened up to small business, and the return of the Auditor-General's powers will ensure that those processes are open to public scrutiny.

In today's press the Minister for Gaming announced a review of the former government's gaming policy, including a limitation on the number of gaming machines in shopping centres. The government is also

committed to ensuring a fairer retail tenancies policy by removing the 1000-square-metre limitation that is now in place.

Honourable members interjecting.

Hon. M. R. THOMSON — It is defined in the act. The government will establish an ongoing review — —

Honourable members interjecting.

The PRESIDENT — Order! Having ruled that the minister must not read her speech, I now rule that she is entitled to be heard in silence.

Hon. M. R. THOMSON — The government will undertake regular reviews on an industry-by-industry basis. Industries will benefit from a whole-of-government approach, with small business being specifically targeted for assistance by the establishment of the Essential Services Commission. A maximum uniform tariff will be introduced across Victoria. Workers compensation premiums will reward small businesses that provide safe and healthy workplaces. Entry level and in-business training for small businesses will be enhanced. The government will provide training and information on issues such as finance and the skills needed for business expansion.

The government recognises the significance of small business to regional and rural towns. The closure of schools, hospitals and banks has caused job losses, which in turn have created hardships for strip shopping centres. The government is committed to establishing both a regional development fund and a regional development office in the Department of State and Regional Development.

Honourable members interjecting.

The PRESIDENT — Order! Neither side of the house is helping the minister.

Hon. M. R. THOMSON — The government recognises that infrastructure development is vital for both regional Victoria and small business.

The government wishes to encourage small businesses to find export markets. There are a number of ways it can assist in that. There is also the question of how small businesses can use e-commerce to open up new markets for themselves. Unfortunately the capacity for small businesses to take up e-commerce is still relatively low because they have concerns about the number of consumers using the facility and the security of the system. The government hopes to be able to address those concerns and encourage small businesses

to place themselves in a better position in the market place by using e-commerce. Many innovative companies are doing new and different things. The government hopes to encourage them and link them to the services they need to ensure they open up export opportunities.

The Bracks Labor government understands the concerns small business had with the former Kennett government. It understands there were concerns about planning issues because the former government pretended to plan for the big end of town and its efforts were ad hoc at best. Small businesses were not able to evolve in that environment. They were also concerned about tenancy arrangements and how landlords got to call the shots; about gambling — they suffered and their businesses suffered with the spread of gambling into retail shopping areas; and about the tendering practices of the previous government.

The Bracks Labor government will implement its policies and deal with the concerns of small business. Labor believes in fairness, initiative and equality of opportunity. It will be unashamedly friendly to small business. It is aware that because small business is innovative, creative and committed, it is the jobs creator and future for Victoria.

The government looks to the opposition to help provide a stable political environment on which small business can rely. The opposition's support is also desired in seeking adequate GST compensation from the federal government for small business.

Hon. BILL FORWOOD (Templestowe) — That was one of the saddest performances I have witnessed in my seven years in this place. It is disappointing that when the opposition has moved a motion dealing with a genuine topic of the decline in small business confidence in the month, all it got from the Minister for Small Business was what we have just heard. The opposition provided the minister with an opportunity to spell out what she wants to do. Because she did not say in her inaugural speech, the opposition wants to know how the minister intends dealing with the issue before the house today.

Mr Theophanous moved an amendment on behalf of the government. However, at no stage did those who spoke in favour of it — Mr Theophanous, the minister and Mrs Carbines — address the assessment of state government policies that appears in the Yellow Pages *Small Business Index*. The motion states:

That, given the reported slump in small business confidence, this house calls upon the Minister for Small Business to outline any plans she has to remedy this slump.

Not one government member addressed the information contained at page 8 of the report under the heading 'Assessment of state government policies'. It was nothing to do with federal government policies or with capital gains tax (GST), or other red herrings. The table headed 'Attitudes to state or territory government policies — Trends in net balance' gives the figures for the last five quarters in Victoria as: 22 per cent, 30 per cent, 27 per cent, 20 per cent, and then minus 5 per cent. There has been a 25 per cent drop in the attitude of small business to state government policy. The government cannot get away from that fact.

The opposition came in today with a mildly worded and simple but important motion to give the minister the opportunity to say, 'Yes, there is a lack of confidence in what we are doing and this is how we will address it, because we understand how important it is'. Instead we got the red herring from Mr Theophanous and we got nonsense from the minister.

I challenge the minister to go out to the people and work on restoring confidence, because she knows, as well as I do, that confidence in the government is lacking.

House divided on amendment:

Ayes, 14

Broad, Ms	Madden, Mr
Carbines, Mrs (<i>Teller</i>)	Mikakos, Ms
Darveniza, Ms	Nguyen, Mr (<i>Teller</i>)
Gould, Ms	Romanes, Ms
Hadden, Ms	Smith, Mr R. F.
Jennings, Mr	Theophanous, Mr
McQuilten, Mr	Thomson, Ms

Noes, 29

Ashman, Mr	Furletti, Mr
Atkinson, Mr (<i>Teller</i>)	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	Smith, Mr K. M.
Craige, Mr	Smith, Ms
Davis, Mr D. McL. (<i>Teller</i>)	Stoney, Mr
Davis, Mr P. R.	Strong, Mr
Forwood, Mr	

Amendment negatived.

Motion agreed to.

Sitting suspended 1.01 p.m. until 2.07 p.m.

QUESTIONS WITHOUT NOTICE

New Year's Eve

Hon. M. A. BIRRELL (East Yarra) — Does the Minister for Small Business, who is the minister responsible for the Public Holidays Act, support an extra public holiday being declared on New Year's Eve?

Honourable members interjecting.

Hon. M. R. THOMSON (Minister for Small Business) — The government has been asked to look at the issue of declaring a public holiday on New Year's Eve. The government is looking into it.

Hon. Bill Forwood — You are the minister!

Hon. M. R. THOMSON — The government is looking into it and will advise the house accordingly.

Bankruptcies: employee entitlements

Hon. R. F. SMITH (Chelsea) — Following the workplace relations ministerial council meeting last Friday, will the Minister for Industrial Relations inform the house of the commonwealth and the states' consideration of a scheme to protect employees' entitlements in the event of a company collapsing?

Hon. M. M. GOULD (Minister for Industrial Relations) — As I informed the house during the previous sitting week, the state government has been concerned about the commonwealth government's proposals regarding company insolvency. At the conference in Sydney last Friday I raised concerns about the two proposals that had been put forward to date. In particular, I raised with the federal Minister for Employment, Workplace Relations and Small Business my concern that the proposals had been put forward without substantial research having been done or data having been collected on the number of insolvencies, the size of the companies that have become insolvent and the industries from which they come. The minister conceded that my concerns were valid.

Hon. M. A. Birrell — I bet you rolled Peter Reith!

Hon. M. M. GOULD — Well he did. He conceded that the proposals he had come up with were not based on any research or data. As a result of the concerns raised by the Victorian government, it was resolved that further research needed to be done on insolvencies so that appropriate proposals could be put forward at a national level, and the Victorian government will be

forwarding its submission on that issue in the near future.

Retail Tenancies Reform Act

Hon. B. C. BOARDMAN (Chelsea) — Given that earlier today the Minister for Small Business gave a commitment to remove the 1000-square-metre rule from the Retail Tenancies Reform Act, I ask the minister what measure she intends to use as a replacement to define a retail tenancy under the act.

Hon. M. R. THOMSON (Minister for Small Business) — Retail premises and commercial premises will be defined.

Hon. B. C. Boardman — Commercial premises are under the retail tenancies act, are they?

Hon. M. R. THOMSON — Yes, they are. The definition of commercial property and retail property — —

Hon. B. C. Boardman — You said ‘premises’.

Hon. M. R. THOMSON — Yes, the premises, the business will be defined in the act.

Hon. P. A. Katsambanis — On a point of order, Mr President, the question from Mr Boardman was quite specific. It asked what measure would be used to define a retail tenancy. Ministers are expected to answer questions factually and directly as put to them. In its charter with the Independents the government gave a commitment to that effect. The question specifically asked the minister to identify the measure. The minister can indicate which measure is to be used, or she can indicate that currently there is no measure. The minister cannot simply avoid the question, as she has done.

Hon. M. R. THOMSON — On the point or order, Mr President, I am sorry if I misunderstood the question. There will be no measure in relation to the property.

Honourable members interjecting.

The PRESIDENT — Order! On the point of order, as I have previously indicated the rules of the house are not dictated to by any element of agreement between parties in another place. The minister’s answer must be responsive to the question, and it was responsive. Whether it satisfies one side of the house or not is another issue. I do not uphold the point of order.

Australian Gallery of Sport and Olympic Museum

Hon. G. D. ROMANES (Melbourne) — Will the Minister for Sport and Recreation inform the house whether the state government will contribute to the Melbourne Cricket Ground Australian Gallery of Sport and Olympic Museum upgrade?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am pleased to announce, as has the Premier in another place — —

Honourable members interjecting.

The PRESIDENT — Order! I ask opposition members to settle down and allow the minister to respond to the question.

Hon. J. M. MADDEN — I am pleased to announce that the Community Support Fund has contributed \$400 000 to the upgrade of the Melbourne Cricket Ground Australian Gallery of Sport and Olympic Museum. The total cost of the project is \$800 000, of which the Melbourne Cricket Club provided \$400 000. The focus of the upgrade will be the history and memorabilia of the modern Olympics, and it will link with the 2000 Olympiad.

Approximately 95 000 visitors attend the gallery at the MCG each year, most being from interstate or overseas. The level of patronage of the MCG places it in the top eight tourist destinations in Victoria.

Minister for Small Business: factional position

Hon. C. A. FURLETTI (Templestowe) — It is common knowledge that the Minister for Small Business and Mr Jennings have, notwithstanding their election to this place, retained their respective positions as secretaries and convenors of the Centre Unity and Socialist Left factions of the Australian Labor Party. I understand this is the first time such a blatant abuse has occurred within the faction-riddled ALP. It is clear from the election result that the vast majority of Victorians rejected — —

Hon. T. C. Theophanous — On a point of order, Mr President, under the standing orders a question put during question time must be directed to a minister and must concern his or her area of responsibility. Clearly the question being asked and the comments being made by the honourable member have nothing to do with any area of ministerial responsibility. Consequently the question should be ruled out of order.

Hon. Bill Forwood — On the point of order, members of the house are used to long preambles to questions; Mr Theophanous put them day after day, year after year. We do not yet know what question Mr Furletti is about to ask. There is no way the question can be ruled out of order until he has asked it.

Hon. M. M. Gould — Further on the point of order, Mr President, the preamble put by Mr Furletti cannot lead to issues that are relevant to the minister's portfolio.

The PRESIDENT — Order! Obviously I cannot rule on the point of order until I have heard the question. However, I suggest the honourable member skip the preamble and get to the nub of the question.

Hon. C. A. FURLETTI — That was another example of Mr Theophanous's premature evaluation of what I was going to say. It is clear from the election results that the vast majority of Victorians rejected the ALP's policies and promises, from which the government has been resiling on a daily basis. Will the minister assure the house that she will resign from one of the positions she holds so as to preserve what little credibility she retains and to ensure there is no conflict between her sworn obligation to all Victorians and her commitment and dedication to a small sectional interest of the ALP?

Hon. M. R. THOMSON (Minister for Small Business) — The question is not relevant to my portfolio, and I see no conflict in any of the roles I perform.

Hon. D. McL. Davis — On a point of order, Mr President, ministers are required to respond to questions. I put to the minister and to you, Sir, that the issue goes directly to government administration and the minister's administration. If the minister is spending her entire time, or a large percentage of it, on business that is outside her ministerial responsibilities, I do not believe she can undertake those responsibilities with the full attention and detail required.

Hon. M. M. Gould — On the point of order, Mr President, the minister answered the question and said there was no conflict. She said she did not see the need to resign from any position she held.

The PRESIDENT — Order! The question was legitimate in the sense that it asked whether there was a potential conflict between the minister's public duty as a minister as against her leadership of a factional arrangement. I understand the minister assured the house that in her view there was no conflict of interest.

Mineral sands deposits

Hon. E. C. CARBINES (Geelong) — Will the Minister for Energy and Resources inform the house of the steps being taken by her department to ensure that Victoria's extensive mineral sands deposits in the north-west of the state will be developed to benefit regional Victoria?

Hon. C. C. BROAD (Minister for Energy and Resources) — I thank the honourable member for her question about this important industry for the Sunset country. Victoria has one of the most prospective mineral sands regions in the world. As honourable members would be aware, the significance of development in regional Victoria is one on which the Bracks Labor government places great importance and emphasis flowing from the recent election. Since 1996 there have been a number of significant mineral sands discoveries in the Sunset region, one near Robinvale and one near Ouyen.

Hon. G. R. Craige — Do you know where they are?

Hon. C. C. BROAD — Yes. High-grade deposits have been identified. Most recently an environment effects statement has been approved for the RZM discovery at Wemen and the company has received approval to mine the deposit. My department advises that capital investment in the mine will be \$14 million, with further operating expenditure of \$10 million per year. That is expected to create about 40 jobs directly and a further 135 jobs indirectly, which is important for that region. Because of the cost of transporting mineral sands over long distances, further developments will follow with processing facilities for the deposits.

The Bracks Labor government is also mindful that those developments are reliant on improved infrastructure, including transport, water and energy, all of which are important in ensuring further developments in the processing area. To ensure that is achieved, the government is working with the commonwealth and the governments of South Australia and New South Wales to ensure that infrastructure needs are addressed. All the development will take place within a framework to ensure the protection of conservation and environment systems and the government is hopeful that the industry will increasingly be important for the Sunset region.

Fishing: commercial licences

Hon. PHILIP DAVIS (Gippsland) — I direct my question to the Minister for Energy and Resources. In

view of the successful Kennett government policy initiative on recreational and commercial fishing, in particular the voluntary buyback of commercial netting licences through funding from the all-waters recreational fishing licence, will the minister advise the house when the buyback of commercial netting licences in bays and inlets will be fully funded and completed?

Hon. C. C. BROAD (Minister for Energy and Resources) — The shadow minister and I have been exchanging press releases over this important matter. It is correct that the Kennett government set aside \$6 million in loan funds to fund the buyback. Unfortunately that was insufficient. More than half the current commercial licence-holders have expressed an interest in having their licences bought out which has necessitated additional funds over those the Kennett government previously provided. Those funds will flow, as I am sure the shadow minister is aware from the information he has already received, from the recreational fishing licence.

I have already indicated publicly that I am confident from the revenues already received, and which are expected to be at their highest over the summer period, as one would expect, that they will ensure the buyback will be completed by March. That has been welcomed by the peak bodies in the area. They are pleased that the matter is proceeding as a high priority of the Bracks government.

Liquor: icy poles

Hon. JENNY MIKAKOS (Jika Jika) — Will the Minister for Small Business outline the government's position on the reported introduction of alcoholic icy poles to the Victorian liquor market?

Hon. M. R. THOMSON (Minister for Small Business) — Many parents are interested in this matter. The icy poles contain 0.5 per cent alcohol by volume and concern has been expressed by consumers and parents groups about their availability. The Kennett government introduced regulations under the Liquor Control Act which enabled the product to be marketed. The government wants to reassure parents about the packaging of the icy poles, or alcopoles, if that is what they are called.

Hon. M. A. Birrell interjected.

Hon. M. R. THOMSON — It is an alcoholic frozen product produced by Unique Beverages Pty Ltd. The government has sought to obtain a sample of the packaging from the manufacturer to enable it to reassure parents and consumers that the product is properly labelled. Fines of \$200 can be imposed on

licensed businesses that sell the product to people under age and a \$50 fine can be imposed on the purchaser.

P & O Ports: terminal

Hon. G. R. CRAIGE (Central Highlands) — No doubt the Minister for Ports is fully aware of the significant delays that are occurring at P & O Ports container terminal at West Swanson Dock, in particular the delay that is affecting road transport carriers. The crisis has now resulted in road transport operators seeking to recover costs for the delays which are a huge impost not only on importers and exporters but also on Victorian businesses. Will the minister explain what actions she has taken to resolve the crisis?

Hon. C. C. BROAD (Minister for Ports) — I am aware of the matters to which the shadow minister refers. At this stage none of the companies involved have approached me to intervene. Because they have not approached me I take it they are confident matters can be addressed. If they should approach me to intervene I should be pleased to do so.

Ports: Y2K compliance

Hon. D. G. HADDEN (Ballarat) — Will the Minister for Ports advise the house on steps taken to reduce year 2000 risks to Victorian ports?

An Opposition Member — Are there any ports up your way?

Hon. C. C. BROAD (Minister for Ports) — Some members opposite are not aware of the emergence of inland ports. It does not take a great deal of imagination to figure out that the year 2000 (Y2K) problem can present substantial problems in ports if appropriate measures are not taken.

All sorts of areas are at risk — shipboard propulsion, navigation, communication and cargo-handling systems — and a very large vessel getting out of control in Victorian ports at that time is not something any honourable member would want to confront.

As one would expect, over time the maritime industry developed contingency plans to deal with risks that might arise. In particular the International Maritime Organisation released a code of practice for 2000 and the Australian Association of Ports and Marine Authorities and the Australian Maritime Safety Authority (AMSA) have also worked with the industry to establish a common approach to ensure that such risks are avoided.

Since July, AMSA has issued year 2000 (Y2K) compliance notices to vessels visiting Australian ports. Vessels unable to satisfactorily demonstrate that they can comply with those notices have been issued with warning notices indicating that they may be denied access or be subject to delayed access on their next visit to any Australian port.

The Marine Board of Victoria, in conjunction with harbour masters in Victorian ports including Melbourne, Geelong, Hastings, Portland and Gippsland Lakes, must comply with those strategies. In particular, a notice has been prepared to prohibit large commercial vessels of 200 gross tonnes or more from entering commercial ports.

A government member interjected.

Hon. C. C. BROAD — That is a large vessel. Vessels of 200 gross tonnes or more will be prevented from entering commercial ports in Victoria during the critical 12 hours between 11.00 p.m. on 31 December and 1.00 p.m. on 1 January. The notice provides for exceptions, which are detailed. Notices are also being prepared of additional specific measures for increased safety appropriate to each port.

An Opposition Member — This is getting dangerously close to a ministerial statement!

Hon. C. C. BROAD — I am about to finish, Mr President. I acknowledge the excellent work, assistance and cooperation of the shipping industry — port operators, marine operators and tug operators as well as many others. I would not like to leave out anybody who has worked with the government — that goes back to the previous government, of course — in ensuring that Victoria's ports are best prepared for the end of the year.

FEDERAL COURTS (STATE JURISDICTION) BILL

Second reading

Debate resumed from 10 November; motion of Hon. M. R. THOMSON (Minister for Small Business).

Hon. C. A. FURLETTI (Templestowe) — The opposition supports the Federal Courts (State Jurisdiction) Bill. Today is the sixth day of sitting and this is the first bill to come before the house for debate. That is a sad reflection on the activity of the government to date. It is a disgrace.

I also place on record that this is the first bill with which I have been involved that should have but has not passed through a scrutiny of acts and regulations committee, which again may indicate the form of the government. It is important to provide a history of the cross-vesting arrangements that existed between the states and territories and the commonwealth.

It is inevitable that a federation such as Australia, with its divided court systems, should end up with problems arising from the split jurisdictions between the states and the commonwealth. In the past a number of issues created problems under both federal and state jurisdictions. Before the cross-vesting arrangements came into place it was extremely awkward, expensive and delaying for jurisdictional matters to be resolved before the substantive issues of the litigation could come before the courts. It was therefore important to develop a system by which all issues could be considered simultaneously.

The Australian constitution sets out the powers of the federal courts, including the High Court. Although it is possible for the commonwealth government to confer its jurisdiction to the state courts, the reverse is not provided for. I guess it was not considered 100 years ago in the days before Federation when all the states went solo. It was not unusual to have a Bank of Victoria, as it then was, and local insurers, local suppliers and advisers. By the term 'local' I mean the activities were confined to individual states. Not so long ago when in the National Bank of Australia I came across the fact that Victoria even had its own currency.

With the passage of time and increased mobility, technology and communication, the state geographic boundaries disappeared but the problems of jurisdiction increased. By the 1970s the judicial system was beset with jurisdictional differences that were recognised by the commonwealth and states. The Family Court of Australia was set up in the mid-1970s as a distinctly federal court exercising federal jurisdiction in matrimonial causes. In 1976 the Federal Court of Australia was established.

The bankruptcy court exercised commonwealth jurisdiction in bankruptcy. As a result of the breakdown of geographic and jurisdictional boundaries it became far more common for corporate and family law to increasingly contain a mix of federal and state issues. It became necessary to do something positive; so the commonwealth and state governments enjoyed a period of cooperation to consider resolutions to the problems.

The explanation of the arrangements that existed before June this year was that federal Parliament vested federal

jurisdiction in state courts and in the reverse process states vested in or conferred on federal courts jurisdiction in particular areas of state law. I refer to the Corporations Law, family law, admiralty and trade practices, and more recently mutual recognition of federal courts, including the Family Court.

By the mid-1980s there was a strong, common desire to put those areas of laws together. In 1988, in what has been described as a prime example of cooperation between the commonwealth, states and territories, cross-vesting arrangements were entered into. Cross-vesting legislation was enacted contemporaneously between the commonwealth and the states to bring together the eight Supreme Courts of the states and territories, the Federal Court and the Family Court to create what could be called the closest thing to a national court system, given the constitutional restraints I shall address shortly. In 1989 and 1990 specific corporations legislation was implemented to replace the various corporation codes or models that existed at the state level. That was beneficial in that it provided one source of legislation in the form of the Corporations Law introduced at that time.

The effect of the cross-vesting arrangements are best explained by Chief Justice Street of the Supreme Court of New South Wales in his 1988 judgment in the *Bankinvest* case. It states:

Firstly, they allowed any one of the nine courts to exercise the jurisdiction of and apply the law that would be applied by any one of the other nine; and secondly, it enabled any one of those courts in which proceedings were commenced to transfer them to any one of the other nine.

It established a mechanism whereby the jurisdictional difficulties that had been experienced before the event were removed. The arrangements reflected a laudable example of what has been termed 'cooperative federalism'. It was accepted as an integrated judicial system that overarched geographical and jurisdictional boundaries and dramatically reduced much of the cost, inconvenience, delay and uncertainty of jurisdiction and forum shopping that permeated the system to that date.

Mr President, as you may know, from the inception of the arrangements some doubts have been expressed by academics and jurists, particularly about the reverse vesting of jurisdiction by the states in federal courts. The powers of the commonwealth government to vest state courts with federal jurisdiction is contained in section 77(iii) of the Australian constitution, but the concerns expressed referred to the reverse transfer, notwithstanding the consent and cooperation of the commonwealth in accepting that arrangement.

It is not a simple issue and the way in which the law is open to interpretation was no better exemplified than when the constitutional validity of the arrangements was tested in the 1988 case, *Gould v. Brown*. It began in the Federal Court, was tested in the full Federal Court and arrived at the full High Court in 1998. The full High Court, consisting of six learned justices, divided three all on the constitutional validity of the cross-vesting arrangements. It was therefore only a matter of time before the vexing question resurfaced. The reason for the introduction of the bill currently before the house is found in the case of *re Wakim*. In its judgment delivered in June 1999 the full High Court found that the arrangements were constitutionally invalid.

I will spend some time on the High Court's decision because it was a broad-ranging investigation of the constitutional relationship between the commonwealth, states and territorial governments and a number of issues were examined. With respect to the bill, the High Court examined the provisions of chapter III of the Australian constitution, which contains the limitations of the jurisdiction of a federal court, and examined whether that limitation was exhaustive. It inquired into the validity of a state law vesting state jurisdiction in a federal court, and in particular whether a state has the power to do so and whether the commonwealth has power to consent to that conferral of jurisdiction.

The court examined the doctrine of the separation of powers, which I intend to address subsequently. It looked at whether the constitutional validity of the arrangements turned on legislative purpose or intent. As I indicated, there was a uniformity of intent in that case and everyone was keen to see the arrangements upheld. It examined whether the legislative consent of federal Parliament should be considered and examined the effect of the notion of cooperative federalism. The court also examined the meaning of 'all matters' referred to in section 75 of the Australian constitution, which specifically outlines the jurisdiction of the High Court but does not include reference to the exercise of state jurisdictions.

The High Court found in the *Wakim* case by a majority of 6 to 1 that notwithstanding the extraordinary level of cooperative federalism engendered by the desire of states and territories, the arrangements were constitutionally invalid. It is significant to note that in delivering his judgment, Chief Justice Gleeson said:

The Parliaments of the commonwealth, the states and territories cannot by cooperation amend the constitution.

That is what the judges interpreted the cross-vesting arrangement would achieve. The Chief Justice went on

to say that in arriving at its decision the court was required to come to its determination on a legal basis and not on the basis of legislative policy.

I must record that in his dissenting judgment Justice Kirby said that the collective voices of the nine governments and Parliaments of the Australian federation was heard in the High Court:

... in unique harmony to urge that the constitutional status quo be maintained.

That fact of itself caused the High Court to ponder the dilemma presented to it before it destroyed the status quo. Ultimately, the majority of the High Court in the Wakim case acknowledged that the cross-vesting powers found in the Australian constitution were inadequate to permit the reverse investiture of powers and struck out the prospect of the exercise of state jurisdiction in federal courts.

The arrangement was perceived to be invalid because it was adding a power to the federal courts not conferred upon those courts in the exhaustive list of jurisdiction in sections 75 and 76 of the constitution. The High Court therefore felt bound to give effect to the structure and terms of the constitution. That position is bound to remain until this or future generations of Australians see fit to change the constitution by referendum.

The law is left in disarray. Decisions in federal courts, including the Family Court, made over more than 10 years are voidable. The decisions were made by a court of record and will remain as valid judgments until challenged. However, if challenged, they will be found to have been made by a court with no power to make such decisions. Hence, a rush of applications from unsuccessful litigants seeking to have judgments set aside by way of rehearing or appeal in the state Supreme Court can be expected. Many cases based on issues of state jurisdiction are probably still before the courts. The bill addresses the dilemma confronting the future conduct of those cases. A small number of cases also exist that have been determined but are still open to appeal.

Those cases give rise to a number of issues. An immediate issue is the question of costs. More important is the limitation of actions which could seriously affect the outcome of some cases. I am pleased that those issues have been addressed in the bill. My research reveals that some 60 Victorian cases are subject to the Wakim decision. That will cause Victoria's Supreme Court concern because of workload and unexpected budgetary expense.

The bill, which was drafted during the term of the former Liberal government, seeks to redress the problems created by Wakim. The draft bill was widely circulated among the legal and business community and many submissions were received. The bill substantially forms the template legislation for the other states and has already been introduced in five other states. Because Victoria had a caretaker government for such a long time the bill's introduction was delayed. That in no way undermines the urgency with which the bill needs to be passed. As I said, some 60 Victorian cases are affected by Wakim and they will benefit from the bill's rapid passage. Considerable energy and thought went into its drafting. The issues are difficult and complex to resolve.

I turn now to the problems the bill seeks to address. At first glance one might say, 'Why not simply deem each of the judgments made in the federal courts judgments of the Supreme Court of the state in which they originated?'. Unfortunately, that type of legislation would be difficult to substantiate. The general principle is that you cannot do something indirectly that has been done directly but struck out as invalid. In the Wakim case legislation that directly transferred powers was struck out. Therefore to seek to indirectly achieve the same result would not have strong constitutional support.

More importantly, the prospect of a legislature deeming a judicial outcome of a court is one of the greatest prohibitions enshrined in the Westminster system as we know it — that great principle known as the separation of powers. That was the reason the learned justices in the Wakim case considered at length the balance between the courts and the legislature. The prospect of artificially creating a judgment by legislation would be unpalatable and unconstitutional.

That is also the reason some academics, jurists and legal writers argue that if the initial cross-vesting arrangements have been held to be unconstitutional, the indirect legislation to rectify the problems must also be unconstitutional. However, time will tell. There is no doubt the legislation needs to be introduced and enacted expeditiously.

The bill approaches the problem from the outcomes aspect. As I said, it would have been easy in theory to deem a federal court judgment a judgment of the Supreme Court but such a step would be likely to be held unconstitutional. Justice Kirby argued in his dissenting judgment that the constitutional status quo should remain. The legislation seeks to ensure that the judicial status quo remains. In saying that, the rights

and liabilities created in federal court judgments are sought to be permitted to remain.

I refer to clause 4 and the meaning of ineffective judgment. In summary, such a judgment is the last judgment in a federal court in a litigated matter. It is not the judgment at first instance but is the last judgment on record. Notwithstanding what I said earlier, the convoluted and acrobatic attempt at a definition of 'ineffective judgment' is indicative of the complexity and difficult nature of the problem.

I wondered whether I have ever come across a bill where the word 'purported' was used twice in the same line! Clause 4(1) states:

... purported exercise of jurisdiction purporting to have been conferred ...

That is the creation of scenarios that do not necessarily exist. An ineffective judgment is defined as a judgment of the Federal Court or the Family Court struck down by the lack of jurisdiction.

Clause 6 contains the operative part of the legislation. It deems the rights and liabilities of all persons which arise out of ineffective judgments in both the Federal Court and Family Court in the first instance and the appeal courts to be valid judgments of the Supreme Court or the Full Court of the Supreme Court as the case may require.

As I indicated earlier, this clause also steers well away from use of the word 'deeming' and emphasises the preservation of 'the rights and liabilities of parties' arising out of federal court judgments and appeals.

Clause 7 refers to enforceability and the ability to exercise rights and liabilities, not judgments, as if such rights and liabilities were created by a judgment in the Supreme Court. Significantly subclause (2) provides for a right of appeal to a party against an ineffective judgment, and subclause (3) provides that right of appeal to the full Supreme Court.

Clause 8 provides for enforcement provisions and the effect of judgments to be as if they were given by the Supreme Court.

Clause 9 appears to expand on the definition of an ineffective judgment contained in clause 4(2) and clarifies the operation of clause 6 by expanding and defining what is in effect the final judgment as at the date of commencement of the section. It is important to ensure that if a judgment is made ineffective it is the judgment from which the rights and liabilities of parties

are created. The clause appears to give finality to judgments to which section 6 can apply.

Clause 10 appears to have the intention of retaining the status quo of the judgments in terms of the orders made, or for prospective further litigation. It gives the Supreme Court very broad powers seeking to ensure that the intent of the bill is implemented.

Clause 11 is a savings clause that allows litigants to bring proceedings before the Supreme Court to review, if that is the correct word, an order, declaration or decision which has already been made in a federal court. As I foreshadowed earlier, clause 11(3)(b) extends the limitation-of-actions period by providing that effective time will not be the time the application was brought in the Supreme Court but rather when the proceeding was first recorded in a federal court.

Clause 15 seems to seek to redress the existing position by reversing those provisions of state legislation that purport to invest federal courts with state jurisdiction. As from the enactment of the legislation such provisions will be deemed to have no further effect.

I turn now to clause 16, which is the subject of the section 85 statement. As I look across to the other side of the chamber I see what are probably looks of amazement on the face of members as to what section 85 of the Constitution Act provides. Most government members are recently elected, and I congratulate them. A section 85 statement means that if the powers of the Supreme Court are to be varied or altered in some way an appropriate statement to that effect must be included in the particular bill. The former opposition constantly abused the former government for its use of section 85 statements and for varying the jurisdiction of the Supreme Court, yet lo and behold the first bill to come before the house in the 54th Parliament contains such a statement.

That action is dishonest in itself, but it gets worse. The second-reading speech states that clause 16 is:

... very much a technical provision inserted out of an abundance of caution.

After what I have been saying for the past half an hour or so, I expect that is the greatest of understatements. I cannot imagine the philosophical attitude of the Attorney-General when it came to this. The ultimate irony is that after seven years of criticism, here it is in the first bill to come before the house.

Hon. Jenny Mikakos — The Attorney-General said we should have fixed it up six months ago.

Hon. C. A. FURLETTI — If we were in government it would have been done.

The DEPUTY PRESIDENT — Order! Interjections are disorderly. The honourable member will have her opportunity later.

Hon. C. A. FURLETTI — I urge honourable members to read the comments in the second-reading speech because they are dishonest and shonky. They seek to understate the impact of the variation. As I have indicated, there are deemed judgment provisions, enforcement provisions, contempt of court provisions, declaration provisions and appeal provisions, yet the government says the bill will have only a minor effect on the jurisdiction of the Supreme Court, justifying its change of tack on section 85 statements.

I turn to the limited options for alternatives to the legislation. I am pleased the legislation was initiated in this house, and it is important that it be enacted as soon as possible, but because of the fairly common view that there may be difficulties with the constitutional aspect, I will examine what other options exist to eliminate that doubt.

Firstly I acknowledge the contribution of Brian Opeskin, senior lecturer in law at the University of Sydney, who, in an article entitled 'The rise and fall of cross-vesting of jurisdiction' which appeared in the August 1998 edition of *Constitutional Law and Policy Review*, said there were three options at that stage. Honourable members should not forget that the article was written before the *Wakim* case and after the Gould case. The first option was retaining the existing federal-to-state transfer of jurisdiction and removing the offensive and unconstitutional conferral of state jurisdiction to federal courts, which would remove the constitutional doubts but unfortunately destroy the integrity of the scheme.

The second option was action pursuant to section 51(37) of the constitution, which contains the power for referral by the states of their jurisdiction to the commonwealth courts. Although that would provide constitutional validity the difficulty is that most states are reluctant to divest themselves of their powers. However, it is a possibility. The other difficulty with the second option is that it would probably be difficult to cover most areas of the law, and so there are limitations.

The third option is that of constitutional change by referendum. That would involve proposing a national court system with uniform laws — a unitary court system — that would need to be passed by referendum.

As all honourable members will know, especially in light of recent experience, only 9 of the 43 proposals put by referendum have succeeded, and none has succeeded since 1977. Nevertheless, the commonwealth Attorney-General is keen to pursue that course of action, so it is important that it be considered. The New South Wales Attorney-General is pushing for a section 51(37) conferral model. I urge the government to pursue the various options in preparation for an event that could put a large number of Victorian Supreme Court judgments in doubt.

It would be remiss of me not to thank the various organisations and individuals who made submissions to the former government and, I understand, to the minority Labor government. I also thank those who took the time to explain the complexities of the area of law covered by the bill while I was researching my contribution to the debate.

The proposed legislation will remedy some serious flaws in the cross-vesting arrangements. I have already canvassed the issues that need to be considered. If the minority Labor government is to establish itself as a responsible government, it should concentrate on ensuring that the Standing Committee of Attorneys-General gives further consideration to investigating other avenues to ensure a longer term solution than that before the house today.

Hon. D. G. HADDEN (Ballarat) — The 6-to-1 majority decision handed down by the High Court on 17 June 1999 in the case of *Re: Wakim ex parte McNally* [1999] HCA 27 has seriously affected the jurisdiction of the Family Court of Australia. However, it does not completely destroy the cross-vesting regime under the state and commonwealth jurisdiction of courts cross-vesting acts, nor does it entirely prevent the Family Court from resolving issues arising under state law.

The decision in *Re: Wakim ex parte McNally* invalidates the jurisdiction of courts cross-vesting acts to the extent that they purport to give the federal courts created under chapter III of the constitution, including the Family Court of Australia, the jurisdiction to exercise state judicial power. That means that the Family Court cannot now entertain a claim for damages as part of proceedings for an alteration of property interests; nor can the Family Court entertain property proceedings under de facto relationship legislation or proceedings between parties for a parenting order relating to an ex-nuptial child.

However, the High Court decision does not mean that the Family Court cannot determine matters arising

under state law. It can do so to the extent that is necessary to apply the provisions of the Family Law Act — for example, to determine what interests a spouse or a third party has in proceedings for an alteration of property interests under section 79 of the Family Law Act.

A federal court can determine any matter arising under state law if it comes within the scope of the court's accrued jurisdiction. That was made clear by Justices McHugh, Gummow, Hayne and Callinan in the decision in *Re: Wakim ex parte McNally*. Under the doctrine of accrued jurisdiction, a federal court can resolve issues arising under state law if they form part of a controversy arising under a federal chose in action. One probable consequence of the case of *Re: Wakim ex parte McNally* is that it will revive interest in that aspect of the Family Court's jurisdiction, which has been dormant since the commencement of the cross-vesting acts.

In practical terms, the High Court decision means that in state matters that do not have a federal component, past decisions of federal courts are liable to be set aside. Matters on foot in federal courts must be transferred to or recommenced in state courts, and new matters must be litigated exclusively in state courts. The decision affects the general cross-vesting scheme under the jurisdiction of courts cross-vesting acts as well as the various schemes relating to corporations, agricultural and veterinary chemicals, competition, gas pipelines access, the National Crime Authority, and price exploitation relating to the goods and services tax.

The decision does not affect horizontal cross-vestings between the states and territories and does not affect the vesting of federal jurisdiction in state courts under the commonwealth Judiciary Act. The Federal Courts (State Jurisdiction) Bill and the Federal Courts (Consequential Amendments) Bill are the proposed legislative responses to the *Re: Wakim ex parte McNally* decision. The Federal Courts (State Jurisdiction) Bill is part of a uniform legislative scheme developed under the auspices of the Standing Committee of Attorneys-General as a response to the High Court's decision.

The main features of the bill are:

- (a) the rights and liabilities of persons affected by invalid decisions of federal and family courts — federal courts — are declared to be the same as if those decisions had been valid Supreme Court decisions;
- (b) invalid judgments of federal courts can be enforced in the same way as Supreme Court judgments; and — —

An opposition member interjected.

Hon. D. G. HADDEN — These are my notes. The third main feature is:

- (c) matters on foot in the questioned federal courts can be dealt with as though they had commenced in the Supreme Court.

The uniform bill has now been enacted by all the states except Victoria. Passage of the bill is considered urgent. The legal profession, the business community and others have repeatedly advocated the recall of Parliament to deal with the problem. There is a high degree of uncertainty over the High Court decision. Many people are in situations in which disputes have to be resolved to enable them to get on with their lives and businesses. Until the appropriate legislation is brought in, those disputes cannot be dealt with and those litigants will be left in limbo.

Further consequential amendments are required, and they are being developed in consultation with the commonwealth and the states and territories. It is anticipated that the second bill will be ready later in the current sittings.

The bill was released for public comment in June. Submissions from the legal profession and business groups were received and taken into account when the bill was being drawn up.

Hon. M. A. Birrell — Which university?

Hon. D. G. HADDEN — Monash. Read the handbook.

Hon. Bill Forwood — Where did you do your articles? Not the same place?

Hon. M. A. Birrell — Pre or post Albert Langer?

Hon. D. G. HADDEN — Post.

The DEPUTY PRESIDENT — Order! The honourable member will concentrate on her contribution.

Hon. D. G. HADDEN — It is planned that a media release will be issued signalling the introduction of the legislation. It is expected that the bill will be strongly supported. The major law bodies, the legal profession and business groups have expressed strong support for legislation along the lines proposed.

The bill has been enacted in similar form in other states. However, legal and business groups may complain that more is not being done to give back to federal courts their lost jurisdiction. It is especially relevant to Corporations Law matters where the Federal Court of

Australia had built up a particular reputation and prestige. The Standing Committee of Attorneys-General is investigating possible ways to restore the status quo. Difficult and complex constitutional issues are involved and further legislation may be necessary.

In July of this year lawyers and business groups feared that Victoria would be without legislation for many months unless the former Premier recalled Parliament. I urge support for the bill.

Hon. P. A. KATSAMBANIS (Monash) — As pointed out by Mr Furletti, the opposition supports the bill. Mr Furletti fully outlined the operation of the bill and highlighted the issue raised by the decision of the High Court in *re Wakim* and the difficult situation in which it has placed cross-vesting rules that apply to many forms of legislation across Australia, not only in areas such as corporations and family law but also with the application of a number of national legislation schemes that cross-vest jurisdiction to federal courts from state courts.

That highlights the issue faced in a federation such as Australia, where the federal constitution confers certain rights on federal courts and governments and the rest on state courts and governments. Where state governments want to act in unison and where they determine in conjunction with the federal government that the federal court is an appropriate forum to decide certain disputes, especially in areas like Corporations Law — in which I had significant involvement in my previous life — it makes good sense for the federal government to be the venue to sort out any legal disputes. However, it was recently determined in the High Court that for technical and constitutional reasons these cross-vesting rules may well not have application, which puts into question a whole raft of judgments.

I do not intend to go through the minutiae of the bill because Mr Furletti has covered the details concisely and accurately, as usual. However, I point out that the bill will not totally solve the problem; it is an attempt to solve the problem highlighted by the High Court.

As was pointed out by Mr Furletti, there are many ways of tackling the problem. It has been deemed that on balance this is the most appropriate way, because certain states will not choose to totally hand over their powers in these areas to the commonwealth government. Australians have recently experienced one attempt to alter the Australian constitution, and the success or otherwise of that attempt should be noted. I am disappointed that it failed, but it has been proven that it is hard to alter the Australian constitution.

The bill is a combined reaction by all states and territories and the federal government to a difficult problem. Many more learned minds than mine have applied themselves to making the bill a reality, and I trust and hope that the law stands and is not read down by the High Court. If in the future it is, unfortunately even more problems will be created and it will be necessary to address the other alternatives referred to by Mr Furletti to resolve the imbroglio relating to the cross-vesting of jurisdiction.

I wish to focus on two issues highlighted in the bill that go to the heart of what sort of government the new Bracks minority government will provide for Victorians. The first is raised in clause 16, which provides for part 2 to alter or vary section 85 of the Constitution Act. There is nothing too dramatic about that. Clauses that vary the jurisdiction of the Supreme Court have been utilised in this place for many years. However, over the seven years of the previous government the then opposition, whose members are now sitting on the government benches, chose to make the issue of altering or varying section 85 of the Constitution Act a political football. They used to try to create the impression that altering or varying the jurisdiction of the Supreme Court in some way denied democratic rights to Victorians. They used it as a big stick to try to beat the Kennett government over the head and suggest it was up to some sort of obfuscation or trickery and was denying Victorians their due rights and privileges.

After trying to be sneaky and underhanded and turn something normal and usual into a political football, members of the former opposition moved to the government benches, and what is in the first bill they have introduced into Parliament? There is a section 85 provision. That highlights the hypocrisy of the Bracks minority government and illustrates that when in opposition its members were not drawing attention to concerns about section 85 provisions in an effort to preserve democracy or openness in government in Victoria. All they were trying to do was focus on a complicated and difficult issue to try to turn it to their political advantage.

Members of the opposition and the people of Victoria should not let this government get away with those sorts of brazen political acts. The section 85 statement made by the minister in the second-reading speech, as required by law, attempts to suggest the provision varying the jurisdiction of the Supreme Court is merely a technical provision inserted in the bill through an abundance of caution and not one that should alarm honourable members determined to protect the jurisdiction of the court.

If a technical provision is inserted out of an abundance of caution it is not this one. I would like to see a section 85 provision that is more necessary than this one. Without a section 85 clause we could not have this bill. The bill is designed to alter the jurisdiction of the Supreme Court and give the Federal Court powers it otherwise would not have and that would otherwise vest in the Supreme Court. It is axiomatic that one could not get a section 85 provision that is more necessary to an entire bill than this one.

If the Bracks minority government is about openness, it should be about being open in statements made in this place, particularly in a second-reading speech. Yes, the provision is technical, but it is not inserted out of an abundance of caution; it is inserted as a necessary step. Now that it is in government it is finding that out in a real hurry.

Some weeks ago we had the spectacle of Mr Jennings saying in this place, 'We made a lot of promises in opposition and when we came to government we realised we could not keep them'. The government has spoken about section 85 provisions. That will return to haunt it because every time a section 85 amendment is introduced the government should provide a better statement than in the current case. It must not hide it from the people of Victoria. It will learn as it goes along that it cannot make empty, futile gestures. One cannot hide from the statements made in opposition. It is time the government began acting like a government.

I turn to the establishment of parliamentary committees. Despite its charter of good government and despite its policies before the election that it would continue with parliamentary committees, the government has not established any.

I specifically refer to the Scrutiny of Acts and Regulations Committee, which was established under the Parliamentary Committees Act 1968, an act that is still current. Section 4D(b) gives specific power to the Scrutiny of Acts and Regulations Committee:

... to consider any Bill introduced into the House of the Parliament and to report to the Parliament —

- (i) as to whether the Bill by express words or otherwise repeals, alters or varies section 85 of the Constitution Act 1975, or raises an issue as to the jurisdiction of the Supreme Court;
- (ii) where a Bill repeals, alters or varies section 85 of the Constitution Act 1975, whether this is in all the circumstance appropriate and desirable; or
- (iii) where a Bill does not repeal, alter or vary section 85 of the Constitution Act 1975, but where an issue is raised

as to the jurisdiction of the Supreme Court, as to the full implications of that issue;

That is stated in black and white in the Parliamentary Committees Act. Parliament decided that when a bill is introduced it must be presented to the Scrutiny of Acts and Regulations Committee to consider the implications of section 85 statements. The committee reports to the house whether the section 85 alteration is in all the circumstances appropriate and desirable. The government has denied honourable members of this and the other place the opportunity to receive a committee report. It has chosen not to constitute that committee. The government will introduce a raft of other legislation this sessional period without allowing it to be properly scrutinised and without allowing honourable members to receive appropriate reports from the appropriate parliamentary committee established under the act so that full and reasoned judgments can be made about the implications of bills.

I seek a commitment from the minister that the government will keep its promises. They include making the Parliament work, giving parliamentarians a say in legislation and ensuring that parliamentarians have the necessary tools at their disposal to make reasoned judgments. One of those tools is having a scrutiny of acts and regulations committee that will properly scrutinise legislation and fulfil the legislative objectives imposed upon this place by an act of Parliament. If the government does not want bills to be scrutinised by a scrutiny of acts and regulations committee before they are introduced into this place it should say so and introduce a bill that repeals the relevant provisions of the Parliamentary Committees Act.

While those provisions are in place the government should respect them and the opinions of this house. If it does not it will only be a matter of time before the public of Victoria wakes up to the Labor Party's snow job in the lead-up to the state election. There is nothing more underhanded than not giving a parliamentary committee the status it deserves under the act.

Will the minister indicate whether a scrutiny of acts and regulations committee, or any other parliamentary committee, will be established under the Parliamentary Committees Act? It is time the government was held accountable so that section 85 statements are honest, open and obvious, particularly if they cannot be scrutinised by the appropriate committee. Despite using section 85 statements as a political football when it was in opposition, the government now says, by introducing such a statement, that it is not a big thing. The government should give this and the other place the

appropriate tools to properly scrutinise legislation for the benefit of the people of Victoria. That was what the Kennett government did through the Scrutiny of Acts and Regulations Committee.

Hon. Jenny Mikakos — This was a rubber-stamp house. What are you talking about? You just rammed legislation through.

Hon. P. A. KATSAMBANIS — The Scrutiny of Acts and Regulations Committee was established by the Kennett government in 1992. It was one of the first actions it performed to scrutinise legislation. That committee was in existence for the entire period of the Kennett government. What will this government do about that? Does it believe in the scrutiny of acts and regulations or does it believe in hiding them under the table by introducing legislation and regulations in the dead of night?

I support the bill and hope its intention is fulfilled. I hope the house does not have to return in a few months to consider other options to remedy these issues.

Hon. JENNY MIKAKOS (Jika Jika) — The bill rectifies the considerable legal problems that arose following the *re Wakim* decision of the High Court in June this year where the court held, among other things, that state Parliament could not confer state jurisdiction on federal courts. Following the High Court's judgment a number of proceedings, especially those before the Federal Court of Australia and the Family Court of Australia, have been held up as legal practitioners have had to pursue proceedings through the state courts. That has led to unnecessary costs for many litigants and has raised doubts about the validity of many federal and family court decisions made since the introduction of the cross-vesting legislation eleven years ago.

Hon. K. M. Smith — On a point of order, Mr Deputy Speaker, standing orders do not allow members of Parliament to read their speeches. They have to speak in a manner that shows they understand the bills they are talking about. By not allowing members to read their speeches they are unable to read speeches that have been prepared by somebody else and thereby utter the words of someone else. That is a tradition in this place and I ask you to bring the member to order and ask her not to read her speech.

The DEPUTY PRESIDENT — Order! On the point of order, it is the custom of this place that members do not read their speeches. As the President said today, they are allowed to use copious notes. I urge the honourable member to use her notes and speak to them.

Hon. C. A. Furletti interjected.

Hon. JENNY MIKAKOS — It is a good thing for Mr Furletti's clients that he is no longer practising law!

I understand the bill. I hope honourable members on the other side of the chamber also understand the bill as well as the importance of its being passed expeditiously.

Hon. K. M. Smith — Do not read your speech.

The DEPUTY PRESIDENT — Order! Mr Smith, give the member an opportunity.

Hon. K. M. Smith — I just make the point that the honourable member is reading.

Hon. JENNY MIKAKOS — I will make my speech if you will allow me to.

Hon. C. A. Furletti — Didn't you hear? You are not allowed to read.

The DEPUTY PRESIDENT — Order! I urge the honourable member not to be distracted by the interruptions from the other side.

Hon. JENNY MIKAKOS — The bill seeks to validate existing judgments of both the family and federal courts by giving them the status of Supreme Court judgments and by allowing litigants to consequently enforce them as if they were Supreme Court judgments. I expect that the bill will have the considerable support of all members of the Victorian legal profession because they have been calling upon the Victorian Parliament to address the issue for some time.

I specifically refer honourable members to the comments of the now Attorney-General the day after the High Court handed down its judgment, as reported in the *Age* of 18 June. The Attorney-General called for the then Kennett government to recall Parliament to address the issue. Similar calls for a recall of Parliament were made by members of the Victorian legal fraternity and the business community. The Kennett government failed to recall Parliament because it was overly anxious about the Longford Royal Commission report being tabled in a pre-election environment.

Nevertheless I welcome the opposition's belated support for the bill. The Victorian Parliament is the last jurisdiction to address the issue. All other jurisdictions addressed it many months ago. The details of the bill were adequately addressed in the minister's second-reading speech and by the Honourable Dianne

Hadden, so I do not wish to cover the same ground. However, I will make a point about clause 16 and the variation to section 85 of the constitution because it was referred to by both Mr Furletti and Mr Katsambanis. The government reluctantly moves to vary section 85 of the constitution. Unlike the more than 100 occasions where the previous government moved to circumvent or restrict the jurisdiction of the Supreme Court — —

Hon. C. A. Furletti — It is not a question of numbers; it is a question of need. You should know about that.

Hon. JENNY MIKAKOS — On this occasion the legal profession, the government and, I understand, the opposition see the need to adopt the bill and to address a very pressing problem faced by litigants and members of the legal community. For that reason I make the point that is canvassed in the minister's second-reading speech. The government moves reluctantly to alter or vary section 85 of the constitution. It does so reluctantly because it is seen to be the only way to avoid the matter going once more before the High Court.

Hon. C. A. Furletti — That was the point of my interjection.

The DEPUTY PRESIDENT — Order! Interjections are disorderly. The speaker should address her remarks through the Chair.

Hon. JENNY MIKAKOS — It is acknowledged that the bill may not finally resolve the matter. The minister indicated that there may well be a need for further amending legislation at some future date. I understand the government is committed to working with both governments at a federal level and across the other state and territory jurisdictions to ensure that the problem does not arise in future.

I urge the Attorney-General to pursue all avenues in ensuring that the matter does not need to go before the High Court yet again. The solutions that the Honourable Carlo Furletti referred to in his speech may not be adopted as I do not think they are viable. Nevertheless I welcome his comments and will certainly welcome any submissions that he may make to the joint Attorney-General's committee, as I welcome further submissions that I am sure members of the Victorian legal profession may similarly make. I hope the bill manages to address the problems associated with the present cross-vesting legislation. As I said, the present situation is giving rise to considerable delays and angst across the Victorian community as many litigants have had to recommence their legal proceedings in the Supreme Court and incur additional

expense in so doing. I hope the bill will not be subject to further legal challenge and I commend it to the house.

The DEPUTY PRESIDENT — Order! The question is that this bill be now read a second time. I am of the opinion that the bill requires to be passed by an absolute majority. I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The DEPUTY PRESIDENT — Order! So that I may be satisfied that an absolute majority exists, I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

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

Third reading

The DEPUTY PRESIDENT — Order! So that I may be satisfied that an absolute majority exists on the third reading of this bill, I again ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

GOVERNOR'S SPEECH

Address-in-reply

Debate resumed from 23 November; motion of Hon. C. C. BROAD (Minister for Energy and Resources) for adoption of address-in-reply.

Hon. G. B. ASHMAN (Koonung) — In joining the debate on the address-in-reply, I record my gratitude to the Governor, Sir James Gobbo, and Lady Gobbo for their record of service to all Victorians. They have been a remarkable first couple. Sir James has enhanced the position of Governor and has probably been more active as Governor than many previous governors. He has regularly travelled to all corners of the state, meeting and greeting the people. Honourable members should express their gratitude to him for that.

This is the first opportunity I have had to welcome new members to the chamber. The house has a large number of new members and I express a warm welcome to all. It is an interesting chamber and has changed a great deal since the 53rd Parliament. I will comment on the members who have retired, some voluntarily and some involuntarily. Bill Hartigan and Sue Wilding were defeated at the election, and the Honourable Rob Knowles was unsuccessful in his attempt to move to the lower house. They will be sadly missed because they were significant contributors to debates in the chamber.

Rosemary Varty, Barry Pullen, Caroline Hogg, Dick de Fegely, Ron Wells and Jean McLean retired. Those members also made significant contributions to the chamber. I recall when I was first elected as one of the representatives of Boronia Province in 1988 that Mrs McLean was the other member representing the province. Although some people at the time thought it was strange that we could join forces on certain issues, we did so and pursued some matters to satisfactory outcomes for the constituents of Boronia Province. In 1992 Jean McLean moved from Boronia Province to Melbourne Province.

I refer also to Pat Power and Doug Walpole who had less than voluntary retirements. I served on the Economic Development Committee with Pat Power and at that time the committee had a difficult reference inquiring into the building and construction industry. The committee was clearly divided along party lines, but at all times Pat Power and other members of the committee conducted themselves with absolute professionalism. Committee members disagreed vigorously at the committee but they could always walk outside and be civil to each other and frequently ended up at the bar having a chat about the day's events. It is important to come to the chamber and debate vigorously, but be able to walk away and be friends or acquaintances after the debate.

As I said at the outset, this is now a very different chamber and we need to acknowledge that a minority Labor government was elected. In the lower house Labor has 42 seats and the support of the three Independents, while the coalition parties hold 43 seats. At the last election, the upper house contest involved 25 seats and three by-elections. Fourteen seats were won by the Liberal and National parties and 11 seats were won by the Labor Party. I will comment on that issue later when referring to the reforms proposed for the upper house.

By contrast, in 1992, when Labor lost government, the coalition won government by winning 61 seats to 27 in the lower house, which was clearly a strong mandate

for the policies of the coalition and a strong rejection of the Labor Party. One cannot say the present government has a strong mandate. Indeed, it will be required to be balanced and represent the views of the whole community. The Premier has said that is his intent.

In 1992 Victoria had a debt of \$32 billion; it had lost the former State Bank of Victoria and the Victorian Economic Development Corporation had made unwise investments in such companies as Whipstick Gold Mining and Development Company which, if my recollection is correct, was an amphetamine factory. Significant liabilities were built up in workers compensation, and the Pyramid Building Society was also in financial difficulty. The then Treasurer told the community that there was not a problem with Pyramid and persuaded a significant number of Victorians to leave their money in that building society. One of the failings of the then Labor government was that it failed to scrutinise building societies such as Pyramid and allowed the collapse of that organisation.

In September 1999 the position was completely different. Victoria's debt had been reduced to \$6.5 billion. Over the term of the Kennett government 220 000 new jobs were created and unemployment was at its lowest level for a long period.

Victoria is producing record exports, which are up 73 per cent on 1992 figures; a record 2 180 000 people are employed; investments are also up 73 per cent on 1992 figures, which is also a record; and up to September business confidence was at record levels.

The Yellow Pages survey shows a significant weakening in business confidence since the election of the Labor government. In the interests of Victoria I hope that that confidence is restored and that it does not fall to the level it reached when the previous Labor government was in power. At that time confidence reached an all-time low, business did not invest, and jobs and the productivity that goes with them were lost.

The Labor government's challenge is to match the performance of the former Liberal government over the past seven years. The opposition is concerned that the building unions, and today the metal unions, are already flexing their muscles. Demands for wage increases are being placed on the table. The building unions are seeking a significant wage increase of 24 per cent, shorter working hours and a nine-day fortnight. Because of rostered days off, parts of the building industry have had a nine-day fortnight for some time. The impact of those increases on the building sector,

which is about to hit a fairly rough patch, would be catastrophic.

Since the election of the Labor government No-ticket, no-start signs have been appearing on building sites. Labor Party policy states that it will govern for all Victorians and will not support discrimination of any kind. The opposition hopes that that policy is honoured and that Victoria does not return to the bad old days when it was generally accepted that if you were not a union member you did not get a job. All Victorians have a right to a job and to obtain work on their merits, not their political affiliations.

The government's statement that it will restore business confidence is mystifying. Anyone who examines the figures I quoted earlier would find incredible the incoming government's suggestion that business confidence needs to be restored. Anyone who has travelled in Australia in recent years knows that Victoria was seen as the jewel in the country's crown. Other states and territories were envious of and sought to emulate the growth the former government achieved.

I will comment on the funded and unfunded commitments mentioned in the Governor's speech. On my count the speech contains commitments totalling \$450 million. I am curious about how some of those commitments will be funded. In addition to the \$450 million, an additional \$240 million will be taken from the Transport Accident Commission, and I will comment on that later.

I could find no evidence of costings for the 2500 training places and 650 new primary teachers, and I could find no mention of the classrooms required for those teachers. It is all well and good to hire teachers, but provision must be made for additional classrooms. The Australian Education Union suggests that the cost of school staffing will be some \$322 million. The government claims that an additional 800 police will be recruited and 290 hospital beds will be opened. Almost all those commitments are not one-off investments and will therefore require annual funding. It is probable that the government will need to find some \$500 million annually to fund its commitments.

Among the costed projects are allocations of \$100 000 to public transport and \$90 million to public housing — and it is suggested that that money will provide 800 houses and 1800 new jobs. I question whether the 1800 jobs in the building industry will be new jobs. The commitment will create employment for 1800 building workers who will move from their current projects to other jobs, which is the normal cycle in that industry.

It is interesting that the 800 houses will cost an average of \$112 500, which I assume includes land. I question whether \$90 million will cover the cost of 800 houses. The Governor's speech states that the \$90 million will also provide for 3000 indirectly created jobs. The cost of 1800 new jobs and 3000 indirectly created jobs works out at \$18 750 per annum for each job. It is evident that the government is providing a short-term fillip for the building industry rather than long-term jobs. Victoria is on the verge of returning to the accounting practices of the former Labor government. The numbers do not add up. I challenge the ministers to answer the queries I have raised.

The government suggests that \$30 million will be provided for school maintenance. In its last budget the former Kennett government allocated \$160 million for school maintenance. Will the \$30 million be spent in addition to the \$160 million, or is the government cutting the \$160 million back to \$30 million? If that is the case, will the minister explain to the school communities in my electorate that are in line for significant upgrades — there are at least 15 of them — why those upgrades will not go ahead?

An amount of \$30 million will not go far on school upgrades. The average price of the many upgrades over the past three years was somewhere in the region of \$500 000. Again I call on ministers to provide the opposition with some answers in that respect.

All up there is a conservative plan to spend \$450 million per annum on community health, child health, apprentices and community infrastructure, plus uncosted commitments. The government has made much of the Access Economics report and constantly quotes it to the opposition as an audit of its promises. I suggest Access Economics did not do an evaluation of the numbers that went into making up the promises or an assessment of the validity of the information provided, but little more than a check of the add-ups and take-aways to make sure they balanced and totalled out to the right amount. It did not scrutinise the behind-the-front-page formulae required before the government can sign off and say its budget balances.

The health area is of significant concern to the people of the eastern suburbs. Labor has said it does not intend to proceed with the Knox public hospital. Six years ago 60 per cent of health services in Melbourne were within 8 kilometres of the central business district. The former coalition government took the view that services should be nearer to the community and people should not be required to travel extensive distances or spend excessive time when seeking health care. To meet that objective it opened new hospitals at Epping, in the

Latrobe Valley and at Broadmeadows — and Knox and Berwick were well into the planning stages.

My concern is with the Knox hospital in particular. The new government is suggesting that a very minor upgrade to the Angliss and Maroondah hospitals will meet the demand for increased health care services in the east. I can tell honourable members that it will not. What is required in the east — it would have been provided at the Knox hospital — is a 24-hour emergency and critical care unit, an intensive care unit, a heart and respiratory unit, and neurosurgery and cancer facilities. If the Knox hospital had gone ahead it would have had attached to it a significant research facility, and it goes without saying that it would have had a significant outpatients section.

Those are services that each and every one of us would say are appropriate and desirable to have in close proximity to where people reside. A Knox hospital would have served a catchment of some 800 000 people. There would have been a restructuring of services across the Maroondah and Angliss hospitals to ensure there would be no great overlapping of services and that the outer east had an integrated health service. Instead of a facility that would have provided in excess of 200 beds, approximately 100 beds will be provided to try to meet the demand.

During the recent election campaign the Australian Labor Party candidate for Bayswater, Sue Craven, in responding to queries on the planned Knox hospital said that upgrading of the Angliss and Maroondah hospitals would not necessarily halt plans to build a Knox public hospital in Wantirna. She was wrong; and I suggest when she made that statement she probably knew she was wrong — it was consistent with the line that she had taken throughout the campaign in seeking to make health a political football rather than dealing with the facts.

A number of other issues are of concern to people living in the east, not the least of which is the extension of the Eastern Freeway. Anyone who uses the existing freeway will understand the benefits that have been derived following its extension from Doncaster through to Springvale Road. Travelling times outside peak hour are now consistently between 10 and 12 minutes from Springvale Road to Hoddle Street. Even in peak periods 20 to 22 minutes is a reasonable time for that journey, especially when compared to the times experienced when Doncaster Road and Maroondah Highway were used. It is a significant improvement.

The termination of the freeway at Springvale Road has added to significant congestion on that carriageway. In

that section of Nunawading, Springvale Road carries approximately 60 000 ordinary and heavy vehicles a day. That is not desirable because the road was not designed to accommodate that number of vehicles.

Various industries have told the opposition the Eastern Freeway has added significantly to the bottom line and allowed them to reduce their operating costs. The logical extension of the freeway through to Ringwood and then on to the proposed Scoresby freeway would alleviate many of the problems that exist on Springvale Road.

During the election campaign, Tony Robinson, the honourable member for Mitcham in the other place, talked about a grade separation on Springvale Road at the Nunawading railway line. It was common knowledge that was not necessary. It would have been accomplished only at an unreasonable cost and was difficult to prioritise. If the government does not proceed promptly with the extension of the Eastern Freeway from Springvale Road through to Ringwood that proposal will clearly arise again. I understand the grade separation would cost about \$30 million to \$40 million. That fact should be taken into account when the government is considering whether to opt for a short tunnel, a long tunnel, a long-short tunnel, a short-long tunnel or a long-long tunnel. The community has an expectation that the freeway will be extended through to Ringwood, that there will be a Ringwood bypass and that plans will proceed for a Scoresby freeway.

When completed the Scoresby freeway would provide Melbourne with an eastern ring-road that would be similar to the Western Ring Road and achieve the same outcome. The completion of the freeway is a significant issue for local industry and the residents of the eastern suburbs.

The government has said that it does not wish to proceed with the Scoresby freeway at this stage — and I hope it is only at this stage. As I have said, there is significant congestion on Springvale Road and Stud Road — part of which is still not duplicated, let alone upgraded to three lanes in each direction. Those roads are critical to the development of industry in the east and south-east of Melbourne. There are significant benefits to be had by proceeding promptly with constructing the Scoresby freeway.

It is estimated that without an eastern ring-road to relieve traffic congestion, greenhouse emissions in the area will increase by 46 per cent, road-user costs will increase by 45 per cent, average trip times will increase by 19 per cent, and the length of trips will increase by

7 per cent as motorists seek alternate routes around the congestion.

I will briefly address the future of the Australian Football League's (AFL) ground at Waverley, which was the subject of debate in this place several weeks ago. There is no question that members of the local community were keen to retain AFL park as a football venue. During the election campaign the Labor Party promised that it would pressure the Australian Football League to continue to schedule football matches at AFL park.

Although I recognise that AFL park is the property of the AFL and that games are scheduled at its discretion, I have some difficulty understanding the league's rationale in moving away from Waverley. It is a decision for the AFL. However, I would not be moving away from a potential market of 1.5 million people! When in opposition Labor said a great deal about saving the park. Unless it takes significant action it will stand condemned by Victorian electors, who will, at the next election, remind it of the promises it made about the future of AFL park that it did not keep.

The charter that has been agreed to by the government and substantially agreed to by the Independents refers to parliamentary committees. I will briefly address the need for the government to act promptly on the appointment of parliamentary committees, particularly a committee to scrutinise acts and regulations, which is critical. The house has already passed the first bill of the session, but that bill has not been subject to committee scrutiny. It is important that the government promptly tell the Parliament what it intends to do about appointing not only the select committees of the upper house but also the all-party parliamentary committees. The previous government appointed nine committees, and I see no reason why that situation should not continue. The government would not necessarily have to have the same nine committees, but a significant number of active committees is needed.

The address-in-reply debate gives honourable members their first opportunity to scrutinise government policy. The challenge facing Labor is to deliver on its election promises and on the promises contained in the Governor's speech. The government also has an obligation to give Parliament and the people of Victoria an explanation of its funding commitments and the progress of a number of major projects.

The incoming government has been given a solid foundation on which to proceed. As I said at the outset, the state debt is approximately \$6.5 billion, which is easily sustainable at today's interest rates. The

challenge for the government is to inspire the community and retain a balanced budget while providing full services for all Victorians.

Hon. C. A. STRONG (Higinbotham) — I also support the motion, but I will start with some congratulations. Firstly, I congratulate you, Mr President, on continuing to fulfil your arduous responsibilities. I take the opportunity to congratulate all newly elected members, particularly those in the new minority government. I specifically congratulate the ministers of the new minority government, three of whom we have not seen before — the Honourables Marsha Thomson, Candy Broad and Justin Madden. The house has seen the Honourable Monica Gould in action over the years, and she is to be congratulated on becoming the Leader of the Government.

I will also mention some former members. Those of us who were members of the previous Parliament have fond memories of some of those who have departed from this place. The Honourable Rob Knowles had a distinguished career as a member of the house over many years. Those of us who knew him recall his skills, and all would agree that he is a gentleman in every sense of the word. His experience and knowledge are sadly missed.

Those of us who were elected to Parliament in 1992 will remember the former Government Whip, Dick de Fegely. His successor, Mr Smith, has been trying to live up to his standards for many years. Dick made a wonderful contribution to the house.

Those honourable members who saw Bill Hartigan from Geelong Province in action will already be missing his presence. He had a wonderful wit and his own way of keeping the house alive. With his considerable intellect and experience he made a major contribution to debates.

Sue Wilding, who represented Chelsea Province, is sadly missed. She organised many of us on this side of the house in many ways to keep us in line. Louise Asher has gone to the other house.

There are many new faces on the other side of the house. At lunchtime I was in Queen's Hall and I ran into Pat Power, who was presumably here lobbying the government. All of us who knew Pat were impressed by his intellect. I had the pleasure of working with him on a committee, where he was a major contributor. Pat is also a very nice person, and although somewhere in his earlier life he went astray and got onto the wrong side he was nevertheless a fine parliamentarian, and I will miss him very much.

I miss Barry Pullen because he had the distinction of being the only other engineer in Parliament. I am now the only one, as I read the record. Caroline Hogg was known by members on both sides of the house to be a very genuine person. Don Nardella is lost to this house but has been gained by the other place, and I am sure its members are enjoying his presence as much as we did. I acknowledge the people who have made a contribution over the time I have been a member of Parliament.

It was interesting to hear the new members making their maiden speeches. Some members strayed from the normal maiden speech concept and went into fairly heavy political areas. Some stuck to the more traditional line. One speech I was very much impressed with that was along the more traditional line was that of the Honourable Kaye Darveniza. When she dealt with the three generations of her family I felt very proud to be an Australian. Whatever side of the house we are on, fundamentally we are here because we want to do something for our state and our nation, although we may have differing views on the best way to achieve that.

Some of the speeches had elements of zealotry in them, which is disappointing. The 300 or 400 years of parliamentary history that lets us learn about the Westminster system teaches us to beware of zealots. The longer we are here, the more we see that we should all be working together for the state rather than for any particular creed or philosophy. We all want to build a strong and successful state.

The recent change of government showed in dramatic fashion that, although people use high rhetoric to talk about styles of government and dictatorships, the beauty of our democratic system is the smooth transition from one side to the other. We are all here to serve Victoria.

I place on the record some matters of enormous importance to Victoria and some of the heritage of the Kennett government of which I am proud in my time serving Victorians. Sometimes the words others write can express your views a lot better than you can. I will refer at some length to an article that appeared in the *Australian Financial Review* of 19 October. It is headed 'Remember Chairman Jeff's Legacy' and deals with what is important and what we should never forget — that we are here to work for all Victorians regardless of our political persuasions. The article states:

Kennett's big gift to Australia was the restoration of the Victorian economy. It tends to be forgotten that Victoria, which accounts for a quarter of the nation's economy, was

collapsing inwards on itself in 1992 when Kennett won power.'

The article then refers to the debt, which I will not go into again because it has been discussed at some length. The article continues:

Australia's tortuously slow recovery from the 1991 recession owed much to the Victorian economic mess.

During his seven years in power Kennett converted the dead weight into one of the chief engines of Australian economic growth.

He did this firstly by restoring the state's finances: essentially convincing investors that the state did have a future and that investors could make a buck in it.'

Honourable members opposite should not forget that the most important thing we can do for Victorians and Australians is give them a job. Much of that is about economic growth, and economic growth is basically about confidence. Confidence is a fragile thing, and one must work very hard to build and maintain confidence. The article continues:

By privatising the electricity and gas industries Kennett slashed \$25 billion off state debt and whittled \$14 billion off the unfunded super liability. The savings on \$39 billion in reduced liabilities became tax cuts and increased spending on services.

Although Kennett's image is that of a slasher and burner, the reality was the opposite. In real terms, Victorian spending on education, health and welfare, and police are respectively 12 per cent, 24 per cent and 21 per cent higher today than they were under the former Labor regime.

Putting some vim-n-vigour back into Victoria didn't just pay off for Victorians: the rest of Australia shared the winnings.

The 220 000 new jobs since Kennett has come to power led to surges in retail spending, new home building and capital investment in new plant and equipment.

Over the past 18 months, the Victorian economy has been dragging the national economy with it: growing at nearly double the national rate. Since Kennett's election, real demand in Victoria has surged 35.8 per cent, 7 percentage points ahead of NSW.

... unyielding pressure for greater productivity has been a major force behind Australia's low inflation rate during the 1990s. Melbourne's consumer price index has fallen 1.8 per cent relative to other capital cities,

That is mostly thanks to Victoria.

The fall in the inflation rate is important because it means that Victorians have higher real wages. Their money goes further and that creates a positive cycle. Regardless of which side of the house one sits, members are here to represent Victorians and to try to create a stronger economy from which jobs and a better form of social welfare will be created. Social welfare

will have beneficial impacts in other ways with fewer drug problems, family breakdowns and so on.

I turn to the Governor's speech where he talks about the process of renewal in Parliament and how the government will introduce legislation to reform the Legislative Council. He says that if that legislation should be blocked:

... the government will establish the Victorian constitutional commission, made up of eminent persons representative of the community, so that it can begin its work of reviewing the state constitution.

That is a cynical and inappropriate approach for constitutional reform. If that measure is defeated the government will set up a constitutional commission to examine the issues. That is totally the wrong way around. It is a grab by the Labor government — an attempt to gut the Legislative Council because it is the only body to review and monitor government. The government has no real intention of dealing with constitutional issues; it is only a fall-back position. All members should stand firm against such a cynical approach.

The Governor's speech talks about partnership with the private sector in building railways and rapid transport links and says that millions of dollars will be given here and there. The government will contribute \$20 million for a fast rail upgrade to Bendigo and also contribute \$15 million to this and that in partnership with the private sector. It also talks about going into partnership with the private sector to create new jobs.

The speech says that the government is totally opposed to dealing with the private sector. It cannot possibly deliver on its promises without the private sector. The government should understand that it has to take the private sector with it. The government is already attacking the contribution of the private sector in its involvement with contracting out. If it attacks the private sector how can it expect to work with it in other areas?

The speech also talks about the government progressively promoting Victoria as an investment opportunity throughout Australia. I was pleased about that because it is the key to continued growth opportunities in Victoria.

The Governor's speech refers to the Schools of the Third Millennium program and some of the problems that arise from that. It says the government is opposed to privilege in state education and is strongly committed to a high standard education for all. It says how the

government is committed to cooperation rather than competition.

One of the basic drivers of humanity is competition. Any economic system that pretends there is no competition has failed and will continue to fail. One must harness the creative powers of competition in a way that will help the economy grow with the least possible impact on people who may be damaged by such competition. Competition is the key that has given Victoria its strong position, as highlighted in the *Australian Financial Review* article. The government is flying in the face of human history if it pretends that competition does not exist and tries to build an economic growth system without it. It will not work. Privilege is not competition because privilege and competition are two different things.

One does not eliminate privilege by eliminating competition. We all know from our experiences many situations that have failed simply because the attempt has been made to remove privilege by removing competition. It simply will not work.

The Governor's speech then touches on the issue of law and order, which is enormously important, as well as the whole question of drugs. The drugs problem is a key issue with which we, as members of society and of Parliament representing society, have to come to grips. Many problems across all social areas can be clearly traced back to drugs.

The police commissioner estimated that something like 80 per cent of crime is drug related. A study of jail populations will show a predominance of drug-related offences. Many of the family tragedies that affect people today such as the chronically high number of youth suicides are drug related. Many of society's problems can be traced back to drugs, and governments must somehow find a way of dealing with the issue because it pervades every part of society. It is not a single, stand-alone problem but the fountainhead of many other problems. In the next few years governments will have to tackle that huge issue.

The Governor's speech refers to plans to increase the flow of the Snowy River system to 28 per cent of its original flow. Although that is a worthy objective, it must be put into a broader context. As honourable members now know, most of the flows end up in the Murray River system, and the problems of that system are well known. The salt in the Murray affects much of Victoria's arable land. The quality of irrigation water and drinking water for those downstream is deteriorating. For instance, people are saying that in 20 or 30 years time people in Adelaide will not be able

to drink the Murray water. Deciding how to use that precious water resource is an enormous problem.

Deterioration has occurred over generations. In many cases it is the result of one-off decisions based on improper analysis with no thought given to the context of the whole system. A simple decision to return the flow of the Snowy River to 28 per cent of its original flow is a good example of the type of one-off decisions that have been taken in the past to build a dam here or a reservoir there and divert the flows of rivers. That sort of one-off decision compounds over a couple of generations and has caused many of the existing problems. The key water issues have to be thought through on a much broader basis.

Although I hope there can be real solutions to the problems of the Snowy River, it is absolutely important for those solutions to be arrived at in the context of the whole river system because so much of Australia feeds out of the general Murray River system.

In his speech the Governor mentions the importance of making sure that Victoria is for Victorians and that proper financial management is fundamental to giving Victorians the good government they deserve. Reference is then made to the changed role of the Auditor-General. Although the role is enormously important, if the government thinks that by simply fixing up the Office the Auditor-General it will fix up the financial arrangements of Victoria it has a long way to go. In essence, all the Auditor-General does is audit the books to ensure that funds have not been used inappropriately. As all honourable members know, many companies and businesses get ticked off perfectly on audits every year but still go bankrupt, so just simply pinning everything on the Auditor-General is not the solution. It could be looked at in the context of constitutional change — the limits to put on the taxing power of governments, the limits to put on surpluses that should be built up and so on. It is not just the Auditor-General that is important but also the financial indicators.

The Governor's speech says that every government program will be publicly scrutinised. I wait with great interest, as I am sure many honourable members do, to see how public scrutiny of every government program will be carried out. What will be scrutinised and against which benchmarks? Interesting things will certainly come out of that. I look forward to receiving more information about it.

The constitutional convention could also be charged to examine government programs. It is a cynical exercise for the government to say it will have such a

convention only if it cannot get its way with the upper house rather than use that convention in a positive, proactive way.

The Governor winds up his speech by saying that he prays that the guidance of almighty God may attend our deliberations. I would very much like to support him, in that I pray that the almighty God gives guidance to the deliberations particularly of those people opposite. I support the motion.

Debate adjourned on motion of Hon. D. McL. DAVIS (East Yarra).

Debate adjourned until next day.

BUSINESS OF THE HOUSE

Adjournment

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

That the Council, at its rising, adjourn until Tuesday, 30 November.

Motion agreed to.

ADJOURNMENT

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

That the house do now adjourn.

Colac: gas supply

Hon. R. M. HALLAM (Western) — I refer the Minister for Energy and Resources to the reticulation of natural gas to the city of Colac. By way of background the south-west main link between Port Campbell and Lara was completed early this year. During the construction of that link a town gate was installed adjacent to the outskirts of the city of Colac. The Colac-Otway Shire Council has been advised that a condition of that contract of sale between Westar and TXU Ltd required the purchase of reticulated gas to the community of Colac by June 2001.

I am delighted to report to the chamber — I know honourable members share my delight — that there has been a surge of activity in the city of Colac, dominated by the very good news of the construction of an export smallgoods abattoir, which is expected to be commissioned in March next year.

Against that background the Colac–Otway Shire Council is keen to plead the case that the connection date be brought forward. I ask the minister to confirm whether the nominated deadline is June 2001 and whether it is open for the council to mount a case to bring the date forward.

Monash Freeway: service indicators

Hon. R. H. BOWDEN (South Eastern) — I refer the Minister for Energy and Resources as the representative of the Minister for Transport in the other place to a problem relating to service indicators on the Monash Freeway. Tens of thousands of people use the freeway, particularly during the peak periods, and thousands of my constituents use it to get to various parts of Melbourne. It is a vital part of Melbourne's road infrastructure system.

During the past few years service indicators consisting of lines and digital numbers that give an assessment of transit times, particularly as motorists head towards the city, have been introduced. I am not certain of the exact location of the indicators, but one is in the vicinity of Huntingdale Road and the other is in the vicinity of Wellington Road when heading towards the city from Dandenong. Many commuters, including myself, rely on the green, amber or red signals on service indicators, depending where one is.

It is to the credit of Vicroads that since their introduction the service indicators have been extremely accurate and are a reliable guide to the time motorists can expect to spend getting to the city. Certain options are available to motorists if the red indicator is on. For example, they can exit the freeway beyond Warrigal Road. The indicators are also valuable for commercial traffic.

I have noticed in the past few weeks that the indicators at the city end of the freeway have been out of service. This is an inconvenience to motorists and is disrupting traffic. I am not sure whether they are out of service to disguise the difficulties resulting from more cars coming onto the system. I ask the minister to ensure that the indicators are returned to service at the earliest possible time.

Essential services ombudsman

Hon. ANDREA COOTE (Monash) — I refer the Minister for Energy and Resources to the doubt she expressed yesterday that the office of essential services would be established before Christmas. Will the minister explain what the exact relationship will be

between the essential services commission and the essential services ombudsman?

Retail Tenancies Reform Act

Hon. B. C. BOARDMAN (Chelsea) — I refer the Minister for Small Business to her unclear and misguided response during question time about the removal of the 1000-square-metre rule from the Retail Tenancies Reform Act. In her answer the minister referred to 'commercial premises'. I have examined the act closely and I have not found any reference to the term 'commercial premises' in the definitions or other sections of it. The act uses the term 'retail premises'. In section 3 it defines retail premises as:

... any premises that under the terms of the lease relating to them are used, or are to be used, wholly or predominantly for the carrying on of a business involving the sale or hire of goods by retail or the retail provision of services ...

The section provides exemptions, including for premises that have a floor area that exceeds 1000 square metres and for businesses registered under the Corporations Law.

The minority Labor government and the minister want to alter the definitions section of the act by removing the provision relating to 1000 square metres and have a policy of extending coverage to include franchisees and larger corporations. Does that not effectively mean the owners of small, family-owned retail businesses, particularly those in rural Victoria, will be forced to sign leases on exactly the same conditions as companies such as Coles Myer, David Jones and Woolworths? Surely the change will mean that the appointment of a small business minister is of dubious value — in fact, completely irrelevant? There will be no real distinction between small and large businesses.

I ask the minister to clearly define what she believes is a small business that is able to receive protection under the act and to explain the intention of the proposed legislation.

Rail: Ringwood line

Hon. B. N. ATKINSON (Koonung) — I refer the Minister for Energy and Resources as the representative of the Minister for Transport in the other place to Labor Party policy regarding an additional train service — an interesting service similar to a Puffing Billy of the eastern suburbs — between Blackburn and Mitcham railway stations, a three-station service.

Apparently the idea is to increase the frequency of trains. No doubt the minister is aware that one of the major problems in the eastern suburbs is the ability of

north–south roads to deliver traffic throughout the eastern suburbs and to Springvale Road, one of the region's and Melbourne's most important roads. Obviously the train line at Nunawading creates a significant problem for the movement of traffic on Springvale Road.

I ask the minister to provide advice on the time frame for the delivery of the Labor Party's Billabong railway, and more importantly, on whether as part of the process the government will implement the program promoted by the honourable member for Mitcham in another place of lowering the railway line under Springvale Road. Will the minister advise the house whether that proposal will be acted upon and the time frame for that proposal?

Joeys soccer team

Hon. P. A. KATSAMBANIS (Monash) — I refer the Minister for Sport and Recreation to the magnificent achievement of the Australian under-17 soccer team, affectionately known as the Joeys. Honourable members may be aware that the Joeys are currently competing in the FIFA World Cup for under-17 soccer nations currently being held in New Zealand. It is with great pride and honour that I can announce that about half an hour ago the Joeys won their semifinal match against the United States. The score was 7 to 6 on penalties after the game finished at 2 goals all on the expiry of extra time. The Joeys have qualified to play in the World Cup final on Saturday and will complete either against Brazil or Ghana, which teams will play each other in a semifinal later today.

All honourable members should acknowledge that this is a wonderful achievement given that soccer is the most popular sport in the world and that the Joeys have qualified to play in the final of the World Cup.

The former Kennett government honoured successful Australian sports teams. All honourable members would remember the wonderful reception in Queen's Hall for the victorious Australian World Cup cricket team.

Irrespective of Saturday's results, on behalf of all Victorians I ask the minister to recognise the enormous achievement of the Australian under-17 soccer team. I ask also what action he will take to honour the team's achievement? I am sure all members join me in wishing the team every success.

Australian institute for depression

Hon. A. P. OLEXANDER (Silvan) — I refer the Minister for Industrial Relations, who represents the

Minister for Health in another place, to the higher than average youth population in Silvan and the large proportion of my electorate that contains regional and rural communities. During the recent state election campaign the former Premier announced a commitment to establish the Australian institute for depression to conduct research, professional training, intervention strategies and provide effective tools for community education. Recently, in an article in the *Age*, the federal health minister, Dr Michael Wooldridge, is reported as having said:

... the Queensland government was heavily backing scientific research, and if Victoria was not careful it could lose the edge it had maintained in medical research for 50 years.

He said he had not heard the new Victorian government say anything about medical research.

One of the more significant and worrying issues is that a trend exists of adolescents suffering from untreated depression. The link between depressive illness and suicide is well established. The statistics applying particularly to young males from regional and rural areas are alarming.

The former coalition government believed significant efforts were necessary to arrive at better treatments. As an initiative it promised to spend \$5 million to cover half the cost of establishing an Australian institute for depression in Parkville. The Prime Minister and the federal health minister committed a further one-off capital grant of between \$3 million and \$4 million with ongoing funding on a year-by-year basis.

I ask the minister to advise whether the government will follow through with the creation of the Australian institute for depression and commit to the \$5 million on behalf of all Victorians. If so, when?

Catchment management authorities: levy

Hon. W. R. BAXTER (North Eastern) — I refer the Minister for Energy and Resources, who represents the Minister for Environment and Conservation in another place, to the government's decision to abandon catchment management authority levies. I do not canvass the merits of that decision but I draw the minister's attention to the fact that the Goulburn–Broken Catchment Management Authority and the North Eastern Catchment Management Authority, both in the electorate represented by the Honourable Jeanette Powell and me, have already collected this year's levy via a line item on the municipal rate notices.

I seek the minister's assurance that those ratepayers will have the levy refunded. I particularly seek an assurance

that the municipalities that have collected the levies, and that will presumably be charged with the responsibility of making the refunds, are not left out of pocket in administrative expenses.

The issue is complicated — for example, the rates in the Shire of Moira are charged on a quarterly basis. Some people have paid their rates in full and have paid the whole levy; some are paying by instalments and have partially paid; and some presumably have not paid at all. It will be grossly unfair to ratepayers in those municipalities if they are left with a large administrative cost for a refund that is in almost every case only a small amount. The cost impinges only on municipalities in north-eastern Victoria. I seek an assurance that those municipalities will not be out of pocket.

Petrol prices

Hon. G. B. ASHMAN (Koonung) — In her capacity as Minister for Consumer Affairs, the minister has made several comments on petrol pricing both in the chamber and in the media. Operators of various outlets in country Victoria have expressed concern about those comments, and in particular their ongoing viability. In her capacity as the Minister for Small Business what action does she propose to take to ensure the continued viability of small service stations in rural Victoria?

Housing: rental assistance

Hon. K. M. SMITH (South Eastern) — I refer the Minister for Small Business to the number of tenants who receive government rental assistance. The minister would be aware that many small business people are landlords. Some unscrupulous tenants refuse to either pay their rent or pass their rental assistance to the landlords. The minister has an opportunity to ensure that government payments are paid directly to the landlords to assist them in providing decent housing for their tenants. I ask the minister to intervene at this early stage in her career.

Police: Olinda station

Hon. W. I. SMITH (Silvan) — My question is to the Minister for Sport and Recreation as the representative of the Minister for Police and Emergency Services in another place. I recently attended a public meeting at Olinda where residents expressed serious concern about the level of crime in the area. They believe, and I agree, that the Olinda police station should be open for longer hours.

On 9 November the *Ranges Trader Mail* published an article on the revised police structure in Victoria. The

new chief in charge of the Dandenong Ranges made a commitment that the police station will now operate for 12 hours a day. Will that commitment be met?

Petrol prices

Hon. E. G. STONEY (Central Highlands) — I refer the Minister for Consumer Affairs to the comments she made yesterday on two occasions that the government is interested in consumers' awareness of their rights with petrol pricing. What does she consider to be the community's most important rights regarding the price of petrol?

Casey: leisure centre

Hon. N. B. LUCAS (Eumemmerring) — I raise a matter for the attention of the Minister for Sport and Recreation. It is the third time I have had to raise this matter. It relates to the leisure centre proposed by the City of Casey, which I first raised with the minister on 9 November. At that time I indicated that the now Premier had visited the City of Casey as Leader of the Opposition during the election campaign and that the city should not have to borrow \$2.5 million to pay for the new facility. When I raised the matter on 9 November the minister said that he would take up the issue.

As a result of my subsequently reading in my local paper that a cost estimate indicated a blow-out in the expected building costs, on 10 November I again brought the matter to the attention of the minister. At that time the minister's response indicated to me that he did not appear to understand the basis of my first question, because his answer was that Casey would receive a \$2.5 million grant from the Better Pools Fund. I point out to the minister that the city was already aware of that grant and that the loan referred to during the Premier's earlier visit to the city was to be in addition to the grant and was required for the whole project. If one added up all the sources of funds — namely, the grant from the Better Pools Fund and the other amount still required to complete the project — the council still needed to borrow an amount of \$2.5 million prior to the election.

I ask the minister to confirm that he understands the question and advise me when the grant will be made to the council.

Dandenong: Hub arcade

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I raise for the attention of the Minister for Small Business an issue of importance to Eumemmerring Province relating to retail trade.

I draw the minister's attention to the Dandenong Hub arcade. The arcade is a major public thoroughfare between Lonsdale Street and the Palm Plaza shopping centre. It is a strata-titled property and many of the retail tenants are owners of their outlets. The retail businesses in the arcade cover the full gamut of retail activities and have made it a vibrant retail centre in Dandenong. However, in recent times retail businesses have moved from the arcade, resulting in reduced pedestrian traffic and placing remaining businesses under increasing economic pressure. The trend has continued to the point where there are now high vacancy rates and low levels of pedestrian traffic, which renders the arcade susceptible to criminal activities and reduces its economic viability.

This morning I heard the minister's interesting contribution on Mr Forwood's motion and noted the minority government's stated policy on small business of assisting local shopping centres in developing and marketing individual identities. I also note its statement with respect to small business that it is keen to back them all the way.

I know the minister is reluctant to answer questions, but I will try for one. What specific action — I emphasise specific — will the minister take to assist the retail operators in the Dandenong Hub arcade to revitalise their precinct?

Port of Melbourne

Hon. G. R. CRAIGE (Central Highlands) — I refer the Minister for Ports to an issue concerning the significance of the port of Melbourne, not only to Victoria's economy but also to Australia's economy.

The minister has already read and is fully aware of the *Port Users Survey* issued in September by the Victorian Employers Chamber of Commerce and Industry. It is a significant report on the satisfaction level of users of the port of Melbourne. In the six months prior to September, when the survey for the report was done, user satisfaction was high in the port of Melbourne. Page 3 of the report states:

Overall, the satisfaction level remains high with around 82 per cent of respondents satisfied. However, this level of satisfaction is down from the peak recorded in the March 1999 survey.

However, the survey respondents made some relevant points. Although they are confident about the port reform process and what it has delivered to users in Victoria and that the improvements will be long standing, they identified two areas of concern. The first

is delays that are hindering the effectiveness of the total transport chain. The second is costs.

I refer the minister to the minority Bracks Labor government's policy document entitled 'Rebuilding the transport network'. At page 17 it states:

Labor will introduce greater competition for stevedoring businesses at the Port of Melbourne.

Will the minister outline how she is going to implement that policy?

Freeza

Hon. P. R. HALL (Gippsland) — I raise a matter with the Minister for Youth Affairs. I am sure he would be well aware of the former government's highly successful Freeza program, which provided alcohol and drug-free entertainment for young people. I want to know whether the current government intends to maintain the program.

Industrial relations: public sector

Hon. C. A. FURLETTI (Templestowe) — I raise a matter with the Minister for Industrial Relations. In doing so I follow a question that was put to her last night by the Leader of the Opposition about a disturbing report that appeared in the *Australian Financial Review* of 5 November concerning the government's change of solicitors in respect of a claim by the Community and Public Sector Union for a 20.4 per cent pay claim for 20 000 public servants that is before the Australian Industrial Relations Commission. It is a claim of major proportions. The report indicates that if the claim were successful it would cost Victorian taxpayers \$60 million. The case is expected to last 27 days. It had been conducted for two years by the firm of Minter Ellison, and preparation costs had already exceeded \$100 000.

The article mentions that the minority Labor government recently changed solicitors. It carries the headline 'Bracks opens door to Corrs' — not Corrs Chambers Westgarth generally, but specifically to a former Australian Council of Trade Unions legal officer who happens to be a partner with that firm. My professional experience and logic tell me that such a course of action is not undertaken without very good cause.

Unless there is good cause, changing course midstream in a case of that magnitude is irresponsible. The report shows that the government's former solicitors, Minter Ellison, had specific instructions, which were to give no quarter in dealing with the union claim. I would have

thought that was justifiable in the face of a \$60-million outcome.

In the interests of transparency and open government, to which the minister is committed, and given the ALP's unequivocal acceptance of the Independents charter, will the minister assure the house that the minority Labor government has given the same instructions to Corrs as were acted on by Minter Ellison and further that she has not sold the Victorian taxpayer down the river by doing another sweetheart deal with the Community and Public Sector Union?

Parliamentary committees: staff

Hon. ANDREW BRIDESON (Waverley) — In her role as Minister for Industrial Relations I raise with the Leader of the Government, the self-proclaimed champion of the workers, the situation facing a forgotten group of highly professional people who are employed by the Parliament of Victoria. I refer to the staff of the joint parliamentary committees, who work on level 8, 35 Spring Street.

Parliament is now in its third week of sitting, yet the Bracks government has still not made a decision on the reconstitution of those committees. The issue was constantly referred to during the course of debate today, specifically as it concerned the former Scrutiny of Acts and Regulations Committee.

Twenty-three committee staff — 9 executive officers, 6 office managers and 8 research staff — have had their employment contracts extended until 17 December. I hold the firm belief, which I am sure all honourable members share, that employers should look after their staff. I also believe Parliament should be setting the standard for Victorian employers. I seek an assurance from the Minister for Industrial Relations that the parliamentary committees will be reconstituted before the end of next week, thus ensuring the ongoing employment of the joint parliamentary committee staff. I also seek an assurance that it is neither her intention nor that of the Bracks minority government to dismiss those staff on Christmas Eve.

Fishing: commercial licences

Hon. PHILIP DAVIS (Gippsland) — Earlier today the Minister for Energy and Resources acknowledged the success of the Kennett government's voluntary buyback of commercial netting licences for bays and inlets. The success of that initiative can be seen in the high level of acceptance of the buyback offers made by the Department of Natural Resources and Environment.

The minister confirmed that the Kennett government had provided an initial \$6 million for the initiative and that the buyback would be completed by March 2000. I acknowledge the minister's commitment to the buyback. However, the level of acceptance meant that the budget provision of \$6 million has been exceeded by an estimated \$2.2 million. Has the minister secured an advance from the Treasurer for the additional \$2.2 million? If not, how does the minister intend to fund the balance?

Gaming: machines

Hon. R. A. BEST (North Western) — I refer the Minister for Sport and Recreation to an article in today's *Herald Sun* that reports the results of an interview with the Minister for Gaming in the other place, the Honourable John Pandazopoulos. The article says:

Poker machine numbers are set to be cut in a government crackdown on the gambling industry.

And [the minister] has warned the government is prepared to cut its revenue from gaming as it tackles problem gaming.

Under the proposed changes:

Venues could have their poker machine numbers cut when renewing their licences.

That raises concerns about the sporting clubs throughout country Victoria that in some cases have borrowed substantial amounts of money to build facilities to accommodate gaming rooms. It also raises concerns about the money those clubs have given to various sports bodies to upgrade the quality of their facilities or provide access to programs that have previously been unavailable to them.

All honourable members will be aware that many sporting bodies rely on federal, state and even local government for assistance in building their infrastructure, whether they be bowls clubs, football clubs or whatever. For the first time a minister will be imposing what have been referred to as regional caps, which means that someone will decide which venues will get the machines. That will be the first instance I can recall of a government deciding where machines will go. That situation has the potential to create winners and losers and lead to sweetheart deals and corruption. That also concerns me.

Bendigo has a basketball association that relies heavily on the revenue from its two poker machine venues to promote its sporting programs. The Kangaroo Flat sports club is a nonprofit organisation which last year injected \$90 000 into football, bowls, cricket and netball clubs, the scouting organisation and a

swimming club, as well as making donations to many local organisations.

What representations has the Minister for Sport and Recreation made to the Minister for Gaming to ensure that sporting clubs are able to protect their income bases, thereby allowing them to invest in the sporting infrastructure and the programs that allow athletes throughout country Victoria to have access to the best competition available?

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Andrew Olexander asked me to take up a matter with the Minister for Health in another place regarding ongoing medical research. I will raise that with the minister and ask him to respond in the usual manner.

The Honourable Carlo Furletti raised with me the government's policy on industrial relations. He asked about the instructions I gave to the department given the change in government policy and the changing of solicitors in an ongoing claim before the Australian Industrial Relations Commission that the previous government had been dealing with for two years. I instructed the solicitors Corrs Chambers Westgarth, headed by a senior partner, John Denton, to sit down and negotiate on the claim with the Community and Public Sector Union — something the previous government had not been prepared to do.

Hon. Bill Forwood — You changed the instructions!

Hon. M. M. GOULD — I changed them in line with the government's policy that it would sit down and negotiate with employers, as I have told the house on a number of occasions. Negotiations are continuing. When they are concluded I will be more than happy to advise the house of the outcome of those discussions.

The Honourable Andrew Brideson raised a matter concerning the staff of the joint parliamentary committees. I am concerned about that and about the ongoing negotiations that are taking place between the government and the opposition on the establishment of the committees. As a number of honourable members on the other side of the house know, those discussions have been going on for some time. However, the government has no intention of terminating the contracts of the joint parliamentary committee staff. The government is obviously concerned about the matter. Their contracts have been extended to ensure that they are protected. Once the establishment of the joint parliamentary committees has been finalised,

those staff members will be entering into enterprise bargaining agreements with the government.

Hon. C. C. BROAD (Minister for Energy and Resources) — Mr Hallam raised the issue of the reticulation of natural gas to Colac and asked whether the government proposes to change the timetable laid down by the Kennett government, which provided for connection by June 2001. I am not aware of any representations received on the matter from the Colac–Otway Shire Council, but if such representations are made of course the government will listen.

Mr Bowden raised for the Minister for Transport the return of service indicators on the Monash Freeway. They are important for commercial and domestic traffic. I will refer the matter to the minister.

Mrs Coote asked about Labor's policy on the proposed essential services commission and the relationship between the commission and the proposed ombudsman. Those matters are clearly set out in Labor's election policy entitled 'Brighter Ideas — Labor's Vision for Energy', to which I can refer in some detail. However, it is available for all honourable members to scrutinise. It clearly sets out the role of the commission, and it also refers to the charter for the ombudsman. The most significant feature deals with the importance of having a genuinely independent essential services ombudsman, which regrettably the state did not have under the arrangements the Bracks government inherited. The government is putting these matters in place. There will be ample opportunity for scrutiny when the matters are brought forward in the form of legislation.

Hon. Bill Forwood — When will that be?

Hon. C. C. BROAD — When the Assistant Treasurer introduces the legislation you will have ample opportunity to debate it.

Mr Atkinson also raised a matter for the Minister for Transport. It concerns the timetabling of railway works between Blackburn and Mitcham. I will refer the matter to the minister.

Mr Baxter raised for the Minister for Environment and Conservation the abolition of the catchment management authority levy. That is an important initiative of the Bracks government that demonstrates that it is getting on with the job of implementing its commitments. I will refer the implementation issues to the responsible minister.

Mr Craig raised the survey of users of the port of Melbourne which demonstrated a very high level of satisfaction. It is a good result. He asked a question

about Labor's policy on increasing competition in the port of Melbourne by introducing a third stevedore. The Bracks government is mindful of the failure of the Kennett government to introduce a third stevedore into the port of Melbourne, and it is determined that it will not make any mistakes. The government is proceeding with the implementation of the policy in concert with the Melbourne Port Corporation, and it will bring the matter forward when it is confident it can ensure the success of the policy.

Mr Philip Davis raised the matter of recreational fishing licences and the buyback of commercial licences in bays and inlets. I am not sure why the shadow minister is so concerned about the funding. As I have indicated to the house on a number of occasions, although the funding provided under the Kennett government was inadequate, due to the overwhelming response, as at the end of October recreational fishing licences had already provided \$1 million in revenue. It is estimated they will generate between \$3 million and \$5 million in revenue per annum to fund the buyback. That revenue is already funding other important initiatives, including 10 new recreational fishing officers around the state. The funds are more than adequate to top up the inadequate amount provided by the previous government.

Hon. M. R. THOMSON (Minister for Small Business) — Mr Boardman raised the question of the 1000-square-metre coverage in the Retail Tenancies Reform Act and the Labor government's intention to remove it. The 1000-square-metre limitation is arbitrary, and a number of small businesses have gone to court because of disputes over what constitutes the 1000 square metres. The Supreme Court has said the act is unclear. The definition in the act does not need to be based on the size of a premises. The government will review the act to see whether there can be a redefinition so that small and medium-size businesses can be protected irrespective of the size of the premises.

Hon. B. C. Boardman — On a point of order, Mr President, the issue I raised directly with the minister was: what is the minister's definition of a small business under the act? Clearly she has not responded to that question.

The PRESIDENT — Order! I will give the same answer I have given before. The minister has responded to the matter. Perhaps she did not respond completely in the way the honourable member wants, and no doubt he will use the forms of the house to pursue that matter.

Hon. M. R. THOMSON — Mr Ashman raised the issue of small service stations, especially in regional and country Victoria. I am meeting with the Victorian

Automobile Chamber of Commerce to discuss its concerns. I understand some small service stations are struggling.

Mr Ken Smith raised the issue of residential tenants who receive rental assistance but do not pass it on to the landlord. I will raise the matter with the Minister for Housing.

Hon. K. M. Smith — On a point of order, Mr President, I specifically asked the minister — in fact I was taken to task about how it related to the minister's responsibilities and I specified that I asked her in her capacity as Minister for Small Business representing a number of landlords — whether she will intervene on behalf of small business people to ensure that money is passed directly to landlords instead of going through to people who may fraudulently take the money on the basis that they will pass it on to the landlords and subsequently do not.

The PRESIDENT — Order! The minister said she would take up the matter with the Minister for Housing. I would have thought that would be the ideal starting point.

Hon. M. R. THOMSON — Mr Stoney raised the matter of consumer awareness on petrol prices. I said the government intended to raise consumer awareness over a wide range of issues, and it will continue to do that.

Mr Rich-Phillips raised the matter — —

Honourable members interjecting.

Hon. E. G. Stoney — On a point of order, Mr President, I specifically asked the minister to spell out the rights she mentioned twice yesterday in her answer and outside this place. I asked her to give instances of consumers' rights regarding petrol prices. It was a specific and direct question and should be easy to answer.

Hon. M. R. THOMSON — I referred to rights regarding consumers across the board in a number of areas. The subject of petrol was covered in the media. Yesterday I spoke about what happens during holiday periods such as Easter. Consumers' rights mean they pay a fair and reasonable price.

Mr Rich-Phillips raised a matter for my attention. The government will be keen to work with local government and retailers to improve strip shopping centres. The government will act in a planned rather than an ad hoc manner.

Hon. G. K. Rich-Phillips — On a point of order, Mr President, I asked a specific question about what action she would take, not whether she would act.

The PRESIDENT — Order! The minister indicated she had nothing further to add.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I thank the Honourable Peter Katsambanis for directing the attention of the house to the success of the under-17 soccer team in today's semifinal. It is wonderful to see the underdog performing well, with a 7 to 6 penalty shoot-out win. It is always great to see the underdog win in a close finish. The government will know their success should that success be delivered on Sunday. However, it would not want to hinder their chances on Sunday by pre-empting their success with the excitement of a civic reception. I wish the Joeys all the best in their game on Sunday.

The Honourable Wendy Smith referred to manning at the Olinda police station. I shall refer that to the attention of the Minister for Police and Emergency Services in the other place.

The Honourable Neil Lucas referred to a sporting facility at Casey. The sporting facility received a grant of about \$2.5 million through the Better Pools program, which is the highest level of funding one can receive through that process, and an application for another \$2.5 million has been made through the Community Support Fund and is currently being reviewed. I understand the total project cost based on a feasibility study is of the order of \$12.7 million. Until the application has been processed by the Community Support Fund I cannot give the honourable member a direct answer, but I shall ensure that he receives an answer as soon as I know the outcome of that process.

The Honourable Peter Hall asked about the Freeza program, which, for honourable members who are unaware, provides live music at drug and alcohol-free venues for youth between the ages of 14 and 18 years. It is a successful program. Funding will cease at the end of June 2000, but in the interim the government will review funding and look closely at maintaining the program or a similar program for drug and alcohol-free venues for 14 to 18-year-olds to enjoy.

The Honourable Ron Best expressed concern about gaming and gaming venues funding a number of sporting clubs. Over the past seven years many sporting clubs have become reliant on gaming and gambling facilities. It is of concern to me because sporting facilities should be for the community and should not

have to rely on gaming. I shall communicate with the Minister for Gaming and advocate strongly that a fine balance is required for sporting clubs to be maintained so that they are not adversely affected by his decisions on gaming facilities.

The PRESIDENT — I shall comment on the matter raised by the Leader of the Government in response to Mr Brideson's question about the parliamentary committee staff who operate from 35 Spring Street. Obviously they have had little work since Parliament was dissolved. They are not government employees; they are employees of the Parliament.

The 23 appointments expired on 17 November and were extended by the Speaker and me to 17 December. Obviously their position places the Speaker and me in some difficulty. The weekly wage cost is approximately \$21 000. Rental of the premises is \$22 000 a month and there are a number of other costs.

Section 4B(2) of the Parliamentary Committees Act states that:

As soon as conveniently practicable after the commencement of each Parliament, the members of a Joint Investigatory Committee shall be appointed ...

I note from the records that in 1992 Parliament resumed on 27 October and the committees were appointed on 10 November. In 1996 Parliament resumed on 14 May and the committees were appointed on the same day.

I urge the government and the opposition to reach agreement on the appointment of the committees and to put them in place as soon as possible. The house knows my view about the importance of the work of the joint committees.

Motion agreed to.

House adjourned 6.00 p.m. until Tuesday, 30 November.