

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE COUNCIL**

**FIFTY-FOURTH PARLIAMENT**

**FIRST SESSION**

**Book 3**

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**Tuesday, 23 November 1999**

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 2.03 p.m. and read the prayer.

**QUESTIONS WITHOUT NOTICE**

**Advance collections: interest**

**Hon. BILL FORWOOD** (Templestowe) — In today's *Herald Sun* the Minister for Small Business is reported as floating a radical plan for bank interest accrued on money collected from the community to be returned to the community. On radio 3AW this morning the Premier ran away at 100 miles an hour from what the minister said. Is the government going to proceed with the minister's proposal?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I did not raise that issue with the journalist concerned.

**Hon. M. A. Birrell** — That is enough. That is what we thought was the case.

**Hon. M. R. THOMSON** — That is good. I did raise the issue of residential tenancy interest that the government has the right to hand back to the community. The issue of current interest rates was discussed as well as the fact that because they were so low and almost insignificant it was not an issue at this time. The government is prepared to review the issue should interest rates continue to rise.

**Industrial relations: public sector**

**Hon. G. D. ROMANES** (Melbourne) — Will the Minister for Industrial Relations advise the house of the consultative approach the government will take when implementing structural or other major changes that will affect its employees?

**Hon. M. M. GOULD** (Minister for Industrial Relations) — Unlike the previous government, the Bracks government believes consultation with its employees is a good thing. I have directed my department to advise all departmental heads that when the government has made a decision that involves structural or technological change within the Victorian public service that policy is to be implemented through consultation with all its employees and their employee representatives.

The government believes consultation is a good industrial work practice. It is good to implement proposals about which the government has made a

decision effectively and efficiently through consultation with its workers — that is, employees and employee representatives.

All Australian workplaces that are covered under federal awards and good workplace relations involve the notification by employers to employees of structural changes that may be implemented, but the Victorian state public service has not had that opportunity. The government, through the directions I have given, will ensure its employees and their representatives will be made aware of government policy.

**Advance collections: interest**

**Hon. M. A. BIRRELL** (East Yarra) — I refer the Minister for Consumer Affairs to her response to the question from the Deputy Leader of the Opposition regarding her reported comments in this morning's *Herald Sun* and I note the minister's denial that she made comments as reported in the paper. I seek the minister's response as to whether she said:

Where money is collected in advance, there is a real question about who the interest belongs to.

She is then reported as saying that one option was to direct the interest to a community fund. Is the *Herald Sun* inaccurate about the minister's comments relating to a community fund?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — The first part of the article about who owns the interest is accurate, but the reported comments about the community fund are inaccurate. I did not say that.

**Water Safety Week**

**Hon. T. C. THEOPHANOUS** (Jika Jika) — Will the Minister for Sport and Recreation advise the house on what the government is proposing to do to emphasise the need for water safety this summer on our beaches and waterways?

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — As part of the Play it Safe by Water campaign which aims to create a water safety culture in Victoria, the Premier and I will be launching Water Safety Week this Saturday. The campaign will be an excellent opportunity to raise the awareness of all Victorians about water safety issues. The campaign will receive great support from regional centres and a range of water safety related organisations. Some activities include: boating safety checks at boat ramps; water safety displays and promotions at many aquatic centres;

opening of the beach patrol system; and body boarding sessions at venues on Port Phillip Bay.

In addition, an awareness and activities guide will be distributed to schools and swimming pools that outlines a wide range of ideas and activities in Water Safety Week.

### **Workcover: premiums**

**Hon. P. A. KATSAMBANIS** (Monash) — Will the Minister for Small Business guarantee that under this government Workcover premiums for small businesses will not increase? What action will the minister take to ensure that premiums for small business will not increase?

*Honourable members interjecting.*

**Hon. T. C. Theophanous** — Premiums went up under you!

**The PRESIDENT** — Order! I suggest that Mr Theophanous not help the minister and that the opposition allows her to answer the question.

**Hon. M. R. THOMSON** (Minister for Small Business) — Workcover premiums are an issue for the Minister for Workcover.

*Honourable members interjecting.*

**Hon. K. M. Smith** — On a point of order, Mr President, the minister was asked what action she will take in her capacity as Minister for Small Business. The minister cannot handball the question. She has to answer it, and answer it correctly.

**Hon. M. M. Gould** — On the point of order, Mr President, the minister was asked a question about Workcover premiums. When similar questions have previously been asked it has been the responsibility of the Minister for Workcover to answer them. Some honourable members would have received answers to such questions from the Minister for Workcover. I believe the minister has answered the question appropriately.

**Hon. M. A. Birrell** — Further on the point of order, Mr President, in response to the Independents charter the government said it would answer questions directly and deal responsively with the issues that are raised. The minister has completely ducked her responsibility to deal specifically with the question asked, which was about the actions the Minister for Small Business would take — not some other minister. Never before during question time — as opposed to the adjournment

debate — have I heard a minister take such an offhand approach to answering a question.

The minister was asked to outline what the Minister for Small Business would do. It is unprecedented and improper for the minister to simply not answer a question on her small business portfolio.

**The PRESIDENT** — Order! I ask Mr Katsambanis to re-read the question.

**Hon. P. A. Katsambanis** — My question is specifically directed to the Minister for Small Business. Will the minister guarantee that under this government Workcover premiums for small businesses will not increase? What action will the minister take to ensure that premiums for small business will not increase? The question was specifically directed to the minister's small business portfolio. I expect an answer, and the small businesses of Victoria expect an answer.

**The PRESIDENT** — Order! The rules on answering questions are clear. In this case I do not believe the minister's answer was responsive to the question. The question was clearly directed to the minister in her role as an advocate for small business. I will give her the opportunity to reconsider her answer and amplify what she previously said.

**Hon. M. R. THOMSON** — Yes, I am concerned about Workcover premiums. In my role as cabinet minister I intend to speak on behalf of small business about any changes that may be proposed to Workcover. I do not have ministerial responsibility for the setting of premiums; however, I will be representing small business in any discussions that are held.

### **Marine safety: regulations**

**Hon. D. G. HADDEN** (Ballarat) — Will the Minister for Ports advise the house of the proposed marine regulations and, in particular, the proposed marine safety regulations for the Lakes Entrance bar and Port Phillip Bay Rip?

**Hon. C. C. BROAD** (Minister for Ports) — I get a chance to talk about ports after all! Members may be aware that the proposed replacement marine regulations appeared in press advertisements on 13 November. Included in the advertisements was a proposal for a regulatory impact statement, which is currently out for public comment.

The introduction of a modern marine safety act is under consideration in the longer term. Honourable members may be aware of weekend reports of the hospitalisation of a family following a fire on a half-cabin cruiser, and

before that reports of two drownings in Port Phillip Bay following the capsizing of a yacht. Those incidents underline the importance of getting things right in the marine safety area.

The proposed marine regulations are similar in effect to the existing regulations. However, they differ in some important respects — particularly in relation to improving safety — something the previous government did not manage to do. In particular, they will improve safety in some important stretches of water — namely, the Lakes Entrance bar and the Port Phillip Bay Rip — which the previous government did not do.

Currently, a commercial vessel is prohibited from carrying passengers across the Lakes Entrance bar if the vessel is surveyed at Lakes Entrance. No such prohibitions or restrictions apply if the vessel comes from elsewhere. In addition, vessels carrying passengers through the Port Phillip heads have conditions placed on them only through the survey process. The view now is that the use of survey conditions is no longer adequate to apply minimum safety standards to commercial vessels that carry passengers across those dangerous stretches of water. Accordingly, the proposed regulations allow commercial passenger vessels to operate in those waters, but only subject to clear and unambiguous safety requirements relating not only to vessel construction but to safety equipment for passengers, the briefing of passengers, operator competency and local knowledge. They also prohibit those vessels operating under unsafe weather conditions.

I am confident that the proposed regulations will satisfy the desire of the Lakes Entrance community to reopen the Lakes Entrance bar in a manner that is safe for everybody concerned. I look forward to receiving public comment on the proposed regulations before the end of December, when they will need to be put in place.

### **Petrol prices**

**Hon. E. G. STONEY** (Central Highlands) — The minister for Consumer Affairs has announced that the government intends monitoring petrol prices in Victoria. Is it a fact that the government has no plans to introduce legislation or regulations that may assist in lowering petrol prices in country Victoria?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I thank the honourable member for his question. At no stage has the government indicated that it is looking at legislation relating to petrol pricing.

What is stated in the paper, as Mr Stoney will see, is the collection of data placed before the Australian Competition and Consumer Commission.

**An opposition member** interjected.

**Hon. M. R. THOMSON** — They do not run blitzes. We will be running a number of blitzes in areas of concern to consumers where they need to be made aware of their rights.

**The PRESIDENT** — Order! The minister will answer through the Chair, so the Chair can hear what she is saying.

**Hon. M. R. THOMSON** — I was saying that we will be running a number of blitzes out of the Office of Fair Trading and Business Affairs on the issues that concern consumers.

**Hon. M. A. Birrell** — Put out a pamphlet!

**Hon. M. R. THOMSON** — The former government put out pamphlets. This government will raise awareness to ensure that consumers are aware of their rights.

### **Mildura business excellence awards**

**Hon. KAYE DARVENIZA** (Melbourne West) — Will the Minister for Small Business inform the house of the results of the recent Mildura Chamber of Commerce Business Excellence Award?

**Hon. M. R. THOMSON** (Minister for Small Business) — Last Thursday night I was fortunate enough to be in Mildura for the Mildura business excellence awards. Approximately 3000 small businesses are located in the Mildura region, including businesses in the manufacturing sector servicing new home-based areas, agriculture and agriculture support. The town is growing well. Part of the reason might be the recent television series that has made Mildura an even greater tourist attraction. The overall winner of the prize was Stefano's Restaurant. The other winners included Showboat Avoca, Tekace Communications, Jaydee Groundcare Centre, Rockmans Stores, Irymple Canvas and Boulevard Nurseries. Employees also received awards on that night. It was a night of sharing excellence among employees and small business owners.

### **Workcover: definition working party**

**Hon. R. M. HALLAM** (Western) — I note that the Minister for Workcover, the Honourable Bob Cameron, has decided to establish a representative working party

to consider the definition of 'seriously injured' for the purposes of workers compensation, and I ask the Minister for Small Business whether she expects to be represented on that working party to protect the interests of small business.

**Hon. M. R. THOMSON** (Minister for Small Business) — Discussions on the composition of that committee are being conducted. I will be advocating representation of small business interests.

### **Sport: country athletes**

**Hon. E. C. CARBINES** (Geelong) — Will the Minister for Sport and Recreation advise the house what action Sport and Recreation Victoria is taking to assist the development of country-based athletes?

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — As part of the government's plan for reviving rural and regional Victoria, and in recognition of the barriers faced by country athletes, the minister — myself — has approved — —

**Hon. M. A. Birrell** — On a point of order, Mr President, it is dreadfully apparent that the minister is just reading a script that has been provided to him, and he has read the words 'the minister', referring to himself. It is not tolerable for a minister to read an answer to a question, and I ask that you, Sir, instruct the minister to that effect, and if necessary that you have the minister table his answer so the house does not have to listen to him reading it.

**The PRESIDENT** — Order! Based on the practices of the house there is no point of order. It has been common in the past for ministers to read answers. However, it is better if they can extemporise to show they are in command of the issue. I do not uphold the point of order.

**Hon. J. M. MADDEN** — I was referring to notes because there are some figures I want to quote to reinforce the point.

*Honourable members interjecting.*

**The PRESIDENT** — Order! The question has been asked, and the minister is entitled to be heard in reasonable silence. I ask that the minister be accorded that courtesy.

**Hon. J. M. MADDEN** — There is a 50 per cent increase in annual funding for this year's Victalent program, from \$80 000 to \$120 000. Through this year's allocation approximately 300 talented young athletes will receive funding of between \$250 and \$600.

In addition to the cash grants, selected athletes will receive commercial sponsorship in the form of free inner city accommodation and free travel to several destinations. That will assist young athletes to train and compete in central Melbourne and/or regional areas. It is not to supplement the athletes' income but to assist them in achieving their potential.

## **PETITIONS**

### **Frankston–Flinders and Stony Point roads: intersection**

**Hon. K. M. SMITH** (South Eastern) presented a petition from certain citizens of Victoria requesting that serious consideration be given to suitable adjustments to the intersection of Frankston–Flinders Road and Stony Point Road, so as to streamline the flow of traffic and reduce hazardous conditions (2820 signatures).

Laid on table.

### **Legislative Council: proportional representation**

**Hon. BILL FORWOOD** (Templestowe) presented a petition from certain citizens of Victoria praying that the method of electing members of the Legislative Council be changed to proportional representation so that the proportion of the vote that each party or Independent achieves is represented by their members in the total number of members in the Council (68 signatures).

Laid on table.

## **PAPERS**

### **Laid on table by Clerk:**

Auditor-General's Office — Report, 1998–99.

Bethlehem Hospital Incorporated — Report, 1998–99 (two papers).

Caritas Christi Hospice Limited — Report, 1998–99.

City West Water Limited — Report, 1998–99.

Corangamite Catchment Management Authority — Report, 1998–99.

Director of Public Prosecutions Office — Report, 1998–99.

East Gippsland Catchment Management Authority — Report, 1998–99.

Electoral Commission — Report, 1998–99.

Equal Opportunity Commission — Report, 1998–99.

Financial Report for the State of Victoria (incorporating the Annual Financial Statement) —

Treasurer's report of failure to submit 1998–99 report within the prescribed period and the reasons therefor.

Report, 1998–99.

First Mildura Irrigation Trust — Report, 1998–99.

Gippsland and Southern Rural Water Authority — Report, 1998–99.

Glenelg Hopkins Catchment Management Authority — Report, 1998–99.

Goulburn Broken Catchment Management Authority — Report, 1998–99.

Goulburn Murray Rural Water Authority — Report, 1998–99.

Human Services Department — Report, 1998–99.

Lake Mountain Alpine Resort Management Board — Minister for Environment and Conservation's report of 19 November 1999 of receipt of report for the period 30 April 1998 to 31 October 1998.

Mallee Catchment Management Authority — Report, 1998–99.

Mt Baw Baw Alpine Resort Management Board — Minister for Environment and Conservation's report of 19 November 1999 of receipt of report for the period 30 April 1998 to 31 October 1998.

Mt Stirling Alpine Resort Management Board — Minister for Environment and Conservation's report of 19 November 1999 of receipt of report for the period 30 April 1998 to 31 October 1998.

Multicultural Commission — Report, 1998–99.

North Central Catchment Management Authority — Report, 1998–99.

North East Catchment Management Authority — Report, 1998–99.

North Western Health Care Network — Report, 1998–99 (two papers).

Office of Public Employment — Report, 1998–99.

Parliamentary Committees Act 1968 — Minister's response to recommendations in Federal–State Relations Committee's Report upon Federalism and the Role of the States: Comparisons and Recommendations.

Peninsula Health Care Network — Report, 1998–99.

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

Bayside Planning Scheme — Amendment L14.

Frankston Planning Scheme — Amendment L87.

Hobsons Bay Planning Scheme — Amendment L17.

Kingston Planning Scheme — Amendments L43 and L44.

Nillumbik Planning Scheme — Amendments L21 and L26.

Shepparton — Greater Shepparton Planning Scheme — Amendment C2.

Yarra Planning Scheme — Amendment C4.

Port Phillip Catchment and Land Protection Board — Report, 1998–99.

Queen Victoria Women's Centre Trust — Report, 1998–99.

Southern Health Care Network — Report, 1998–99.

St Vincent's Hospital (Melbourne) Limited — Report, 1998–99.

State Trustees Limited — Report, 1998–99 (including financial statements of the Common Funds) (two papers).

Statutory Rule under the Road Safety Act 1986 — No. 120.

Strawberry Industry Development Committee — Minister for Agriculture's report of 10 November 1999 of receipt of the 1998–99 report.

Sunraysia Rural Water Authority — Report, 1998–99.

Victorian Government Purchasing Board — Report, 1998–99 (including the Annual Procurement Report) (two papers).

West Gippsland Catchment Management Authority — Report, 1998–99.

Wimmera Mallee Catchment Management Authority — Report, 1998–99.

Wimmera Mallee Rural Water Authority — Report, 1998–99.

Women's and Children's Health Care Network — Report, 1998–99.

Yarra Valley Water Limited — Report, 1998–99.

## MINISTERIAL STATEMENT

### Parliamentary committee reports

**Hon. M. M. GOULD** (Minister for Industrial Relations) — There are 12 parliamentary committee reports from the last Parliament to which, under the Parliamentary Committee's Act, the government is obliged to respond before the end of the year.

On 4 November the government tabled interim responses to the recommendations contained in the report of the Scrutiny of Acts and Regulations Committee on the right to silence and the report of the Law Reform Committee on the review of the Fences Act.

Today an interim government response to the report on federalism and the role of the states by the Federal–State Relations Committee was also tabled. The government has decided that in a further six cases, it is also appropriate to table interim responses.

It is with considerable reluctance that the government has decided to adopt the approach of tabling interim responses to a number of parliamentary committee reports. However, it is advised that such an approach is consistent with the Parliamentary Committees Act 1968 and it has decided that it is in the interests of good government to do so.

Good government demands that the government's responses to the difficult and complex issues raised in the reports should be fully considered. The report on the right to silence is a case in point. The report raises a host of complex philosophical, practical and legal issues, and it is essential that the response be fully informed and well considered.

Moreover, it would be an insult to the careful and detailed work that has gone into the reports if the government were to table final responses without giving the same careful and detailed consideration to the recommendations contained in them. Yet if interim responses to a number of reports are not tabled, that will be the consequence. In the few weeks since the Governor commissioned the new government, it has not been and may not be possible for ministers to give appropriate detailed consideration to a number of the reports, details of which follow:

1. Scrutiny of Acts and Regulations Committee's report on the right to silence;
2. Law Reform Committee's report on the review of the Fences Act 1968;
3. Federal–State Relations Committee's report on federalism and the role of the states: comparisons and recommendations;
4. Federal–State Relations Committee's report on the register of specific purpose payments received by Victoria;
5. Law Reform Committee's report on criminal liability for actions performed while in a state of self-induced intoxication;
6. Law Reform Committee's report on technology and the law;

7. Public Accounts and Estimates Committee's report on annual reporting in the Victorian public sector;
8. Public Accounts and Estimates Committee's review of the Auditor-General's reports nos 39 to 41; and
9. Road Safety Committee's report on the incidence and prevention of pedestrian accidents.

I assure the house that, in relation to the right to silence report and the other instances where the government intends to table interim responses, final responses will be tabled as soon as possible. If it is not possible to do so this year, final responses will be tabled in the autumn sittings next year.

**Hon. N. B. Lucas** — On a point of order, Mr President, section 40(2) of the Parliamentary Committees Act states:

Where a report to the Parliament of a Joint Investigatory Committee other than the Public Bodies Review Committee recommends that a particular action be taken by the government with respect to a matter, the appropriate responsible Minister of the Crown shall, within six months of the report of the Committee being laid before both Houses of the Parliament, report to the Parliament as to the action (if any) proposed to be taken by the Government with respect to the recommendation of the Committee.

Is the proposal of the Leader of the Government to make such a general response, which does not address the specific recommendations, in order?

**The PRESIDENT** — Order! As I understand it, the minister's proposal is not a response to those provisions; it is a statement of intention to make responses after the issues have been properly considered. Because it is a new government, I believe that is reasonable. The point Mr Lucas made is that that does not take away the obligation to provide formal responses. The minister said formal responses will be given to all reports before the end of the autumn sessional period. It is not in the hands of the house how the government reacts.

Few Parliaments have that important legislative provision. It ensures that a definitive response is made to a recommendation of a parliamentary committee that has put a lot of work into its report. The minister gave an undertaking that she will take the obligation seriously. The minister said more time is required, and that is reasonable. An undertaking has been given that the formal responses in accordance with the provisions will be provided to both houses before the end of the autumn session next year.

## GOVERNOR'S SPEECH

## Address-in-reply

**Debate resumed from 10 November; motion of Hon. C. C. BROAD (Minister for Energy and Resources) for adoption of address-in-reply.**

**Hon. D. G. HADDEN (Ballarat)** — It is with great pleasure that I acknowledge the address of the Governor at the opening of the first session of the 54th Parliament on 3 November. That address represents the values of the Bracks Labor government. His Excellency spoke of the values that will be the hallmarks of the government's program of legislation and the measures against which it will be proud to be judged.

I was elected to Ballarat Province and succeeded the retiring former member, the Honourable Dick de Fegely, on 18 September. I acknowledge him for having represented the constituents of Ballarat Province since his election in 1985.

Ballarat Province covers approximately 15 917 square kilometres of rural Victoria. It takes in the four lower house seats of Gisborne, Ballarat East, Ballarat West and Ripon. The voting population is approximately 129 169 people in rural areas, regional towns, significant tourist areas as well as the City of Ballarat, Victoria's largest inland city.

The major centres are Ballarat, Daylesford, Hepburn Springs, Hanging Rock, Ararat, Maryborough, Bacchus Marsh, Kyneton, Woodend and Gisborne. The industries are agriculture, grazing, manufacturing, mining, quarrying, timber production, winemaking, wool production, education, information technology and, of course, tourism.

The City of Ballarat, with a population of approximately 83 000, is Victoria's largest inland city and was once one of the principal goldmining centres of Australia. It also features significant tourist areas, such as Daylesford, Hepburn Springs, Hanging Rock and the Pyrenees.

I live at Creswick, a small rural town with a population of approximately 2200. It is situated on the Midland Highway approximately 18 kilometres north of Ballarat. I should like to inform the house a little about my community of Creswick, which is known as the Home of Forestry.

Dr Robert and Mrs Jane Lindsay, together with their 10 children, lived at the corner of Cambridge and Victoria streets, Creswick, after 1872. Lisnacrieve, their

family home, was a large rambling house that was demolished in the late 1960s. However, the famous drawing room has been reconstructed with the equally famous magic pudding as a permanent display at the Ballarat Fine Art Gallery.

From 1881 only 5 of the 10 Lindsay children attended the Creswick Church of England Grammar School — Percy, Robert, Lionel, Norman and Pearl.

Sir Daryl Lindsay spent nine years at the Creswick State School, SS122, describing it as a:

... hideous building with classrooms painted a dingy yellow with a chocolate-coloured dado.

He found his schooling to be a loathsome experience from which he never recovered.

While in his early 20s, Percy Lindsay produced paintings of local scenes that endowed Creswick with the unique record of its heyday as a mining and rural community, including its Chinatown.

Norman Lindsay considered the feminine image a dominant factor in his concept of life. He admired the beauty of women, and his erotic etchings and brilliant and evocative watercolours always found a ready market. Norman also wrote 11 novels, including *Redheap*, *Saturdee-Halfway to Anywhere* and the *Magic Pudding*, which incorporated Creswick's social history of the time as well as being entertaining and proving that children prefer food to fairy stories.

Ruby Lindsay, who was born in 1887, asserted her independence by signing herself as Ruby Lind. Ruby was a regular contributor to magazines of the day. Her career flourished after she submitted the best poster at the Australian Exhibition of Women's Work and completed the sketches for Rudd's *Back at Our Selection* with her light and decorative line.

Ruby married Will Dyson, a political cartoonist, on 30 September 1909 at the age of 22. They were married at the Wesleyan church next door to Lisnacrieve in Victoria Street. It has been written that to avoid the crowd of local onlookers, instead of walking from her family home to the altar she shinnied over the back fence and entered the church through the vestry. Ruby and Will Dyson travelled to England five days after their marriage. There Ruby contributed to several British periodicals, including the *Suffragette*, and sent some works such as *Lone Hand* back to Australia. After the Great War the Dysons went to Ireland for a family holiday with their young daughter. Within a week of their return to England, Ruby died at the age of 32 from the 1919 influenza epidemic that ravaged Europe. In his

*History of English Art* Maldane McFall described Ruby Lind's talent as:

... the finest pen line of any living British woman artist.

The Creswick museum is housed at the former Shire of Creswick offices in the old Creswick town hall, a magnificent National Trust-classified two-storey building with a tower and clock circa 1876. The interior is notable for its classic winding staircase of local basalt, its balcony and 19th century architectural features. It is truly a magnificent building, standing as a sentinel in Albert Street. On permanent display is an extensive collection of Lindsay drawings, etchings, watercolours, oil paintings and books, including one work of Reginald Lindsay who was killed during the Great War.

Other special features of the Creswick museum collection are the art works of T. G. Moyle and W. Tibbits, which depict the life of early Creswick and district; a special collection bequeathed to the museum by deceased local artist immigrant, Victor Litherland, including his paintbox and easel; and an invaluable aid to historical research are the some 87 local family histories now published in book form.

The mining room contains relics of early settlement and the boom mining period in the Creswick and Smeaton districts. There is Captain Smeaton's family bible, wallet and watch, the flag of the Berry Number One Mining Company, the ninth largest gold producer on the leads, the weights and measures of the former Shire of Creswick, gold scales and other relics.

The former Shire of Creswick council chamber, retained as it was at the end of the 1900s, is believed to be the only one still in existence in Victoria. Hanging on its walls are large portraits of former mayors and other famous people associated with Creswick's development. They include Sir Alexander Peacock, John Curtin, John Anderson, who was shire councillor for 35 years until his death in 1895, and Alexander Thomson Creswick, the son of Henry Creswick. The mayor's gavel sits on the mantelpiece over the open fireplace.

Standing like a sentinel in Albert Street in what was called Market Square is the majestic bandstand built to commemorate the 60th diamond jubilee of Queen Victoria's reign on 21 June 1897.

Smeaton boasts Andersons Flour Mill, which was built in 1861 at Birch's Creek on part of the headwaters of the Loddon River. It is a massive bluestone building of five storeys. It operates the largest water-powered wheel in the Southern Hemisphere and was built in

Ballarat. It weighs 25 tonnes and measures 25 feet in diameter.

The Creswick Bowling Club will celebrate its 125th year in March 2000. On 3 March 1875 a meeting of gentlemen interested in the formation of a bowling green and club met at Leake's Hotel in Creswick. Two days later the council announced that it had granted use of a piece of ground for a bowling club at the corner of the cricket reserve. Subscription to the bowling club was 1 guinea per annum.

In 1929 the Leopold Park bowling green was abandoned and on 6 November 1931 the Creswick Bowling and Croquet Club was established at its current site in Albert Street. On 26 November 1931 the greens were officially opened by the mayor, Mr W. Marchment. Sir Alexander Peacock bowled the first bowl and Lady Millie Peacock hit off the first ball on the croquet lawn.

The Buried Rivers of Gold Heritage Trail enables visitors to experience the sights and stories of the area's goldmining history and settlement. A deep lead is termed a buried river of gold. There are five deep leads, each part of the river system, comprising approximately 120 mine sites.

Gold fever struck Creswick early as massive alluvial mining operations were developed in the gullies and creeks. Gold was first discovered in Clunes in 1851. In 2000 Clunes will be shared by Wesley College students, who will spend eight week blocks of their school year residing at the newly built Clunes campus.

In the late 1850s Chinese miners re-washed the entire creek bed system in their search for gold. In 1998 near Callembeen, Melbourne City Councillor, Mr Wellington Lee, one of the descendants of the early Chinese traders who established themselves at the Chinese camp at Creswick, unveiled a commemorative plaque to the Chinese.

The John La Gerche walking track was launched at the Creswick Landcare Centre in March 1999. The discovery of forest bailiff John La Gerche's letter books in 1984 inspired Mr Ron Hatley, former student, local natural historian and senior lecturer at the Creswick campus of the School of Forestry of the University of Melbourne. The discovery of La Gerche's letter books provided a goldmine of information.

The history was carefully compiled by Creswick's first forester and one of Victoria's first land carers. It is a neat and meticulous hand-written record of the daily work of the forest bailiff appointed to the Ballarat-Creswick state forest. La Gerche's letter books

recorded in detail the immense tasks he tackled between 1882 and 1900 in rehabilitating ravaged mining land and restoring it to forest. It also detailed his establishment of a nursery at Sawpit Gully, his experiments with many species of deciduous, conifers and eucalyptus trees and the planting of 100 000 seedlings raised at the new nursery established in 1889 at the abandoned New Australasia Mine at North Creswick.

That nursery was a model for mining communities throughout Victoria about how to reclaim the land. He laid the foundations for the modern softwood plantation industry. The Sawpit Gully plantation was at its largest in 1899 when it covered some 300 acres and contained a total of 24 600 trees. This sawmiller-turned-forest guardian believed the forest should be managed and conserved for the future. John La Gerche died in Ballarat in 1914 at the age of 68. The old state nursery circular building at the Creswick Landcare Centre is a two-storey office that was built in about 1912–1913. It still stands and was restored in 1998.

The Sawpit Gully section of the La Gerche walking track with its approximately 2 kilometres of nine interpretative signs was established with a federal government grant.

There was also the administrative and practical work done by Department of Natural Resources and Environment Creswick Landcare officers and School of Forestry students, the Langi Kal Kal work group and Parks Victoria, as well as the tremendous support for the project given by local community volunteers from the Creswick and District Development Association, the museum committee, the historical society and many others.

The Koori Heritage Tour provides information about the Dja dja wurrung tribe. Creswick was one of the richest areas in Australia for the food harvested by Koori people. Aboriginals from the Bulluk horde of the Wathaurong tribe visited the prolific and beautiful valley known to them as Collumbeen, the name of which was later changed by the early white settlers to Bean Bean and eventually named Creswick Creek. I pay tribute and my respects to the Wathaurong and Dja dja wurrung tribes who once inhabited the Ballarat and Creswick areas.

In 1837 the Birch brothers settled at Kingston and named their sheep run Seven Hills. In 1838 Captain William Coghill settled on sheep runs known as Glendaruel and Glendonald. Mr J. Clark then established the Dowling forest estate. In 1842 the Creswick brothers, John, Henry and Charles, took over

the run, which became known as Creswick Creek. Creswick had emerged as a town in 1853, named after the nearby creek on which Captain John Creswick had established his homestead. The municipal district was established in 1858 under the Municipal Institutions Bill. In 1861 there were nine gold towns with municipal districts, which covered only part of the diggings. The quiet progress of the squatting period was interrupted by the finding of gold in 1851 and afterwards.

The Creswick Blue Light Returned and Services League light horse troop was formed in 1995 under the auspices of the local Creswick police sergeant, Garry Chandler. Since then the members of the troop have been seen in Anzac parades at Creswick and at the fourth annual Creswick Spring Fiesta, which was held in October last. Some 28 young people, who dress in the military attire of riders, foot soldiers and nurses, form the largest light horse troop in Victoria. Four of those young people, Hannah Aumann, Laura Woodward, Dane Woodward and Mark Hansen, have just ridden over 800 kilometres to Canberra to commemorate the centenary of the Boer War and to raise money and awareness of the event. Mr President, you may have read about their courageous journey on horseback and seen them on the television. So spectacular is the group that the Victorian RSL has accepted it as its only affiliated light horse troop.

The Vertex Theatre Kids, which is a non-profit organisation based at the Creswick town hall, has been operating for 38 years. It is run by Harald and Arlene Jeffreys, Gayle Atkinson and other volunteers. Some 80 young people are involved each year in staging two or three productions for the locals, as well as special school productions for the senior citizens club and day centres. At no stage during its 38 years of operation has Vertex Theatre Kids applied for or received any municipal or government funding.

There are a number of prominent Creswickians who have left their mark on Australia's history, and I will mention but a few. The Right Honourable John Curtin, Australia's great wartime Labor prime minister, was born at Creswick on 8 January 1885, the son of a local police officer. His family moved to Brunswick when he was about six years old. He became prime minister on 7 October 1941 and died in office in Canberra on 5 July 1945. He was known as a native of Creswick. In response to a congratulatory message from Creswick on his becoming prime minister, Mr Curtin sent an historic message to the citizens of Creswick that states:

I shoulder a tremendous responsibility; but I confidently feel that the struggles of early life will fortify me against the stern days ahead. I have never forgotten my birthplace, and I have often recalled, with pride, the number of great men who can

claim it as such. It will be my fervent hope and deep-seated desire to worthily uphold the record of achievement which Creswickians have gained ...

In 1985 Creswick celebrated the centenary of John Curtin's birth with an address entitled *John Curtin — A Man of Calm and Reason* given by the Honourable Kim Beazley, Sr, to children at two of the local primary schools and to those who attended a dinner held at the Creswick golf club. The John Curtin Memorial Hostel for the Aged in Creswick was named in 1985 by the Right Honourable Robert J. Hawke, the then Prime Minister.

The Honourable William Guthrie Spence, MHR, arrived in Creswick with his parents in 1853 at the time of the gold rush. As a young man he worked in the deep alluvial goldmines. In 1878 he organised the Creswick Miners Union, whose first president was Mr John Sampson, the maternal grandfather of the Honourable Robert G. Menzies, former Prime Minister of Australia. Under Mr Spence's guidance that union expanded into the colonies and New Zealand. Later, he founded the Amalgamated Shearers Union, which evolved into the Australian Workers Union. It is written that:

... of the giants of unionism ... W. G. Spence was the most notable.

So that dynamic movement of unionism started in the little town of Creswick. Sadly, Mr Spence's association with the Labor Party ended during the Great War of 1914–18 over the issue of conscription, when he was compelled to choose his country over his party.

Sir Alexander Peacock, KCMG, was an eminent, well-known and well-liked parliamentary representative for Clunes and Allendale from 1889 to 1904 and for the electorate of Allendale, including Creswick, from 1904 until his sudden death on 7 October 1933. He was Creswick's member of Parliament for 44 years. Alexander James Peacock was born in Creswick on 11 June 1861. His father, James Peacock, was a local tailor. He attended the local Creswick grammar school, where he later taught. On 1 January 1901 at Port Fairy he married Millie Gertrude Holden from East Framlingham. They lived all of their 32 years of marital life in an ordinary weatherboard period house that still stands in Cambridge Street, Creswick.

Alexander Peacock was first elected to Parliament at the age of 28. He attained the position of Premier of Victoria on three occasions and minister of education on six occasions.

Alexander Peacock was known as the 'father' of the Factories and Shops Act (Amendment) Bill, which he introduced in 1895 to abolish the sweating evil. He

inaugurated the wages boards, one of the greatest forces ever introduced for the welfare of the worker.

Alexander Peacock was a member of the federal convention, which was elected by popular vote and which drew up the commonwealth constitution, and he was made a Knight Commander of the Order of St Michael and St George for his great contribution in 1904.

Alexander Peacock was a true native of Creswick and was very community minded. He was three times elected chief president of the Australian Natives Association, and Ballarat was its headquarters. He was grand master of the Grand Lodge of Freemasons of Victoria. In the history of Creswick Havilah Lodge No. 26, Sir Alexander is described as the most illustrious of Havilah's sons and was indeed the Most Worshipful Brother for nearly 51 years. He never neglected his mother Lodge, and was as frequent in attendance as his duties permitted. It was not unusual for Creswick Havilah to receive an apology by telegram saying that Sir Alexander had missed the train at Melbourne.

He held the office of Speaker of the Legislative Assembly from 1928 until his untimely death on 7 October 1933 at the age of 72. It was written by Don Graham at page 272 of *Victoria — a History*, which was published in 1984, that Peacock was frustrated by the Legislative Council in his attempt to bring about such reforms as women's suffrage, education, factories and shops control, and the powers and constitution of the Council. Yet his wife, Lady Millie Peacock, would succeed him at a by-election caused by his death and become the first woman member of Parliament of Victoria at the age of 63.

Sir Alexander Peacock was baptised in and worshipped at the 1861 Gothic bluestone St John's Anglican Church, then the Church of England, in Napier Street, Creswick, all his life. He was truly loved and respected by Creswickians of all denominations and from all walks of life. On the south wall of the church is a memorial brass plaque erected by his then widow, Lady Millie Gertrude Peacock. The last line reads:

He being dead yet speaketh.

Directly opposite, on the north wall of St John's, is another plaque for Lady Millie Peacock 'erected by her sisters' on her death on 7 February 1948. Lady Millie Peacock bequeathed to St John's Anglican Church her late husband's Speaker's chair from the time when he sat in the other place, which is now used as the priest's seat. The beautifully carved wooden chair was a wedding gift to the Honourable A. J. Peacock in 1901

from the United Furniture Trade Society of Victoria, and I quote

... as a slight token of esteem and in recognition of earnest labour on behalf of the factory workers of Victoria.

There is a stone obelisk erected in Cambridge Street, Creswick, opposite the Peacock house, as a tribute to Sir Alexander Peacock. Its inscription reads:

He put first things first.

Alexander Peacock is buried at the Creswick Cemetery in a simple grey marble and stone grave next to the family plot of his parents and his brother, Andrew. There is no fancy headstone or decoration, and simple lettering is all that adorns the grave. His wife, Millie Peacock, is buried with her husband.

Sir Alexander Peacock died on Saturday 7 October 1933 at his home at Creswick. He was then the Speaker of the Legislative Assembly and had been in that esteemed position since 1928. When state Parliament's bells rang in the other place on Tuesday, 10 October 1933, the sitting lapsed for want of a quorum. Parliament, in effect, closed down and resumed at Creswick. The Premier of the day, Sir Stanley Argyle; the Leader of the Opposition, Mr Tunnecliffe; the President of the upper house, Sir Frank Clarke; members of all parties in Parliament; dignitaries and guests all travelled together on the special morning train from Melbourne to Ballarat and on to Creswick for the funeral with full state and masonic honours.

The funeral service was held at Sir Alexander Peacock's beloved St John's church and there was a masonic service at the gravesite. The population of Creswick trebled on that very sad day. Shops and schools closed, and schoolchildren and citizens lined the street as the funeral hearse led by Mr Pasco, the local undertaker, proceeded to the Creswick Cemetery, where the man they had known as their friend, as the 'laughing Premier' and 'the best Speaker the house had ever had', was laid to rest.

At the by-election held on 11 November 1933, Lady Millie Gertrude Peacock, widow and aged 63 years, succeeded her late husband as the member for the electorate of Allendale. Lady Millie received 1500 more votes than the Labor candidate, Mr McAdam, and became the first woman ever to be elected to the Victorian Parliament — and from Creswick. She did not seek re-election at the expiration of her term in 1935 and retired from Parliament.

Lady Peacock made just one speech in Parliament, in the other place on 5 September 1934, at the end of her period of mourning. It was a rather controversial speech

at the time on the all-important subject of the time, the Factories and Shops Bill, and in particular on clause 23 of the bill, which dealt with out-workers, their children and persons employed by them. At the conclusion of her speech, Lady Peacock said she was very proud to have been able to stand up in the house that was really representative of the people.

Lady Millie Peacock, MLA, had been described as a popular and active supporter of her husband. It was said of her that she was of kindly disposition and winning ways. Lady Millie was the first president elected to the Creswick branch of the Australian Red Cross Society, on 31 May 1915. She switched on the power and light in Creswick on 24 November 1937 in the presence of thousands of enthusiastic spectators. In 1941, after 26 years of service, she was one of the three original committee members of the Creswick branch of the Australian Red Cross Society remaining in office. She was described by Mr Lemmon, the member for Williamstown, in his condolence speech on 11 October 1933 in the other place, 'as a courteous soul and splendid woman, of calm Christian confidence'.

Apparently Lady Millie's experience in Parliament during her term was not a happy one. It has been recorded that she left Parliament after less than two years declaring that it was not a place for women. I can but wonder how isolated she might have felt being the first and only woman member of Parliament in 1933, and such a long way from her home and friends in Creswick.

On 14 November 1933 the *Age* described Lady Peacock's election as:

... another step in women's fight for complete freedom and equality.

The news article also stated that in the circumstances of her being in mourning, Victorian women had had no opportunity of hearing Lady Peacock speak or of learning of her views. But Lady Peacock was very active in her electorate of Allendale, and earned the title of Deputy Member for her work in support of her husband's campaigns.

The *Age* also reported on Lady Peacock's election as the first woman member in Victoria, and stated that it would necessitate a re-arrangement of some of the rooms at Parliament House. There was discussion as to whether Parliament would provide her with her own room either on the first or second floors, and also on whether Lady Peacock would wear a hat in the house, which was optional at the time.

Again, on 22 November 1933, the *Age* reported on Lady Peacock's swearing in. The public and distinguished strangers' galleries were crowded, mostly with women, an hour before the house met.

Included among those who attended to witness the brief but formal ceremony were representatives of many women's organisations. The new member for Allendale wore a black costume, furs and a hat — the first time in the history of Victoria that a new member has entered Parliament with head covered. There was applause from all sides of the house greeting Lady Peacock as she passed the bar of the house and stood at the table. Having signed the members roll and shaken hands with the Speaker, she sat on the back government benches between Mr Toutcher, one of the oldest, and Mr Holden, one of the youngest members of the house.

A glowing tribute to Lady Peacock appeared in the Hobart *Mercury* of 13 November 1933. An article headed 'Woman in Parliament' states:

Lady Peacock carries on the same tradition. Although she has never sought publicity, she has taken an active interest in the affairs of the Allendale district since she came into it as the young country bride of the then Premier of the state over 30 years ago.

Indeed, so familiar did she make herself with the people of her part of the country and their needs and problems that Sir Alexander was often heard to say that she knew more of the electorate than he did, and she was popularly known as the deputy member. The regard in which the people of Allendale held their new member may be gauged from the fact that she was elected without having addressed a single meeting.

Finally, the *Bulletin* of 15 November 1933 described her election as follows:

Alex Peacock's widow, who had won the seat in a poll of 9000-odd votes, having beaten the Labor man McAdam by 1500-odd. Her sex could not have chosen a worthier pioneer.

On 9 February 1948 the *Argus* reported Lady Millie Peacock's death on 7 February in an article headed 'Lady Peacock, state's first woman MLA dies'. She was described as having earned the affection of many and the title of the Deputy Member for her work in support of her husband's political campaigns.

The article went on to state that Lady Peacock shared largely in Creswick's public life for 50 years. It quoted the tribute of the then Premier, Mr Hollway, that the people of Victoria would remember Lady Peacock with affection as a kind-hearted and public-spirited woman. The article stated that Lady Peacock had been one of

Victoria's distinguished daughters and that the residents of Creswick in particular would mourn her passing.

Before 1933 no women had been elected to the Parliament of Victoria. In 1938 Fanny Brownbill was elected as the first Labor woman member of Parliament for Geelong, where she remained a member for 10 years. Between 1933 and 1979 no more than two women were members of the Legislative Assembly at any one time. Until 1979 no women had been elected to the Legislative Council.

In 1979 two women were elected to the Legislative Council for the first time in history. Victoria's first women Legislative Councillors were Gracia Baylor, Liberal member for Boronia Province, and Joan Coxsedg, Labor member for Melbourne West Province. Both women were simultaneously successful in the 1979 state election.

At the state election on 18 September, the voters of Ballarat Province exercised their democratic right to vote in six Labor candidates, three of whom were women, as their members of Parliament across all four lower house seats and both upper house seats, for the first time. For the first time in the 62-year history of Ballarat Province a woman was elected at the ordinary election — and I take this opportunity of thanking those voters. I am very proud to be one of the 8 women of the 14 government members of this house. Women now represent approximately 24 per cent of members of the Legislative Assembly and approximately 27 per cent of members of the Legislative Council. Women represent approximately 57 per cent of government members in this place. What a tremendous achievement for women in the closing months of the 20th century.

I am very conscious of the great honour that has been bestowed upon me, especially as I am the first woman in the history of Ballarat Province to be elected to the seat. There is a saying that fortune favours the brave. I was prepared to stand for what appeared to be an unwinnable seat. I was successful.

Father John Mathes, parish priest of the Anglican parochial district of Creswick, Clunes and Newlyn, of which I am a parishioner, placed a short quote on the pew seat at St John's church on the Sunday after the state election:

Try not to become a person of success but rather try to become a person of value.

This place must be a true house of review. I refer to the proverbs of Solomon, chapter 11, verse 14, which is inscribed in the vestibule of this great Parliament:

Where no counsel is, the people fall; but in the multitude of counsellors, there is safety.

Wisdom is found by those who look for it. I believe that I have always looked for wisdom and I trust that I will never lose sight of the great honour that has been bestowed upon me by my being elected to represent the constituents of Ballarat Province

I take this opportunity of thanking my parents, who have loved, supported and stood by me. I also thank my sister for her loyalty and love. I thank my life partner, Ian, and our young daughter Elizabeth, for their unconditional love and commitment to me. I thank Sarah-Jane, Anthea and Melissa for sharing their father with me and for accepting me into their family 10 years ago. I also especially thank my mother's eldest brother, Uncle Allan Thomson, for his political debating and constructive criticism during the past 20 years, and for introducing me to the Kingston and Creswick district more than 20 years ago. I also thank Auntie Lorna Robertson, who has been a second grandmother to me.

I also thank the Australian Labor Party for having the good sense to have preselected me as a candidate of merit for the Ballarat Province in April 1998. I sincerely thank the Labor Party members and supporters of all the branches within the Ballarat Province for their hard work and support.

I bring to this place the values of being community based and community minded, of being down to earth, of being grounded, of being able to bridge the gap between the haves and the have-nots, of integrity, honesty and having a strong Anglican faith.

I thank all those women, and especially those in the Labor Party, who have supported me in many and varied ways.

On 22 October, the national award of recognition for consistent excellence in the legal representation of children and young people was awarded to a Ballarat woman sole legal practitioner, Mrs Patmalar Ambikapathy, by Justice Alastair Nicholson, Chief Justice of the Family Court of Australia. Mrs Ambikapathy is well deserving of such a national award and I congratulate her on her tremendous advocacy and commitment to children and young people who fall into our legal system.

I especially thank Emily's List and Joan Kirner for their mentoring and support since my preselection. I sincerely thank Jenny and Eddie Beacham, Margaret and Allan Card, Patmalar Ambikapathy and Dr Ambi, Dr Jocelyne Scutt and Arthur Hallett. I am also grateful for the support given to me by the Labor

women's network. Without the tireless support of these good women and men my 18 months as a candidate would not have been as enduring and enjoyable as it was.

I also sincerely thank and commend Mr Steve Merbach, the registrar of the Ballarat court since 1989, for the way in which he has executed his duties in a highly professional manner while maintaining a high-standard operation at the court.

There are many other people, whom I sincerely thank, who have supported me over the years in my practice as a lawyer and as a volunteer telephone crisis counsellor. I also thank those who have sent me letters of support, flowers and congratulations since the election. I will not name you, but you know who you are, and I thank you.

I am here in this place as the first woman member for Ballarat Province to fight the good fight. I thank honourable members for their attention.

**Hon. R. H. BOWDEN** (South Eastern) — I wish to respond to the speech on 3 November of His Excellency the Governor of Victoria, Sir James Gobbo, when he presented an outline of the legislative program of the minority Labor government.

I remind the house of the achievements of the previous government, which enabled His Excellency to make the speech he made. When the Kennett coalition government took office in 1992 Victoria had a debt of \$32 billion and a current account deficit of more than \$2000 million. In the relatively brief time between 1992 and September this year the coalition government, the predecessor of the minority Labor government, transformed the economy through a combination of vibrant policy and the excellent management of the financial affairs of this great state.

To illustrate the point I remind the house that the coalition government reduced Victoria's debt from \$32 billion to \$6 billion and turned the \$2000 million current account deficit into a surplus. The positive expectations outlined in His Excellency's speech on 3 November would not be achievable if the Kennett coalition government had not been a good and effective economic manager.

Victoria has experienced regular and substantial economic growth together with and as a result of the good husbanding of the financial affairs of the state. The Labor minority government received an extremely good inheritance when it assumed office unexpectedly in September. That is not to denigrate the aspirations and hopes outlined in His Excellency's speech, because many of the goals are excellent. However, I remind

honourable members that many of those aspirations and hopes would not be attainable if the minority Labor government had not received that great inheritance from the Kennett coalition government.

South Eastern province is extremely large, covering just under 5000 square kilometres. It has a big and diverse population and comprises metropolitan and rural towns and townships. One of the province's outstanding characteristics is its diversity and complexity. His Excellency's speech brought to mind the need for my constituents to be ever watchful of the promises and aspirations of the minority Labor government. Most of my province could be described as rural or regional. Since the opening of the parliamentary session honourable members have heard much about the importance of supporting rural and regional Victoria. As some of my colleagues and I have often said, my province can be likened to a miniature Australia. It has a large concentration of people on the Mornington Peninsula; and it has its agriculture, aquaculture and dairy industries, its recreation, tourism and marine activities, and its heavy industry.

Most of the people of my province live close to Melbourne. Cranbourne is less than an hour's drive from the central business district, and the northern parts of the Mornington Peninsula are a similar distance from the city. Despite its proximity to Melbourne, most of its character is rural and regional.

I want to emphasise the concerns of my constituents, which the government may consider given the issues raised in His Excellency's speech. Health and aged care are at the forefront of their concerns. Whether you are talking about the southern part of the Mornington Peninsula, the other side of Western Port Bay, Phillip Island, Wonthaggi, Inverloch or beyond, the demographics are interesting and worthy of consideration. Rosebud and Rye are attractive to people who wish to retire. The population profiles of those towns and of the southern peninsula mean that health and aged care issues are significant. I am a strong supporter of both the Peninsula hospital and the foreshadowed Peninsula hospice, which is under construction in the Frankston area. The hospice, which is badly needed, will offer a modern and enlightened service that will assist my constituents.

Tourism is also important. Because of its proximity to the city, many Melburnians and Victorians as well as tourists from interstate and overseas visit the many wineries on the Mornington Peninsula. The wine industry is extremely important to tourism.

I am particularly disappointed about the minority Labor government's decision to cancel the construction of the Scoresby freeway. Tens of thousands of my constituents who live on the Mornington Peninsula and in Cranbourne are also disappointed about that announcement because their access to goods and services and their ability to travel efficiently to and from their places of employment have been compromised. I am not satisfied that the upgrading of Stud Road is a satisfactory answer because it will channel more traffic onto the Monash Freeway between Stud Road and further east. That is already inadequate at certain times of the day.

In representing the interests of my constituents I suggest that the government take a hard look at the ramifications of its announcement to cancel the construction of the freeway. It is not in Victoria's interests. Hundreds of thousands of people in electorates in eastern and south-eastern Victoria will be affected by the government's decision.

**Hon. W. R. Baxter** — It is typical of what they did with the Eastern Freeway in 1982. It is par for the course.

**Hon. R. H. BOWDEN** — That may well be the case. Labor should be careful of being tagged as an anti-roads government. Good roads improve driver safety and are extremely important in making Victoria competitive in the movement of goods and services. The short-sighted cancellation of the much-needed Scoresby freeway is not a good move. I have received many complaints about it from my constituents.

I also refer to the deregulation of the dairy industry. My province and the Legislative Assembly seat of Gippsland West depend to a large extent on the dairy industry. Wonthaggi and Korumburra, and the beautiful land surrounding them, are well known as highly efficient dairy-producing areas. The deregulation of the dairy industry is causing considerable concern. In the context of His Excellency's speech I suggest that the government take a long, hard look at the issue before it does anything to the detriment of the dairy industry. Many thousands of my constituents are active dairy farmers who make a valuable contribution to the economy of the state. For them dairy deregulation is an extremely important issue.

I have the privilege of representing constituents who live in San Remo and on Phillip Island — and indeed, in the whole Western Port area.

I advise honourable members of my longstanding interest in fishery issues and my support for the

fishermen and their families. The fishermen operate principally out of San Remo, although commercial fishing also takes place in other areas.

The economic contribution made through lobster and shark fishing out of San Remo is extremely important. Longstanding family activities and aquaculture production should be encouraged.

In recent months there has been a great deal of publicity in the South Gippsland area about a project called Basslink, which proposes to link the electricity grids of Victoria and Tasmania. It is a worthy and positive idea, but it is causing concern. One of the engineering proposals is for electricity cables to run from Tasmania under Bass Strait and then be taken on land in a yet-to-be-determined area somewhere east of Inverloch. The cable would then go across country to the Latrobe Valley and the Morwell–Traralgon area.

Members of the community are saying very strongly, 'We do not want to see the installation of high-voltage towers carrying cables across the beautiful hills and the marvellous countryside in Gippsland'. I have attended public meetings, and I inform honourable members of my commitment to opposing the construction of towers. I do not believe they are necessary, and they would be a blight on the landscape. My constituents do not want towers, and I do not support their construction. There are other ways to connect the Victorian grid to Tasmania, one of which is underground cables. I leave the specifics of the alternatives to the technical experts, but through my contribution today I would like to put on the record my strong opposition to the construction of towers over such a beautiful part of Victoria. It would be vandalism of the worst kind.

I turn to the concept of volunteerism. Thousands of volunteers in many hundreds of organisations are necessary for the efficient running of the community. Sometimes it is difficult to single out organisations, but the concept of volunteerism is well ingrained in the community and is a concept that Australians should be proud of. I pay tribute, without naming individuals, to the many hundreds of constituents in my electorate who serve the community and the state in valuable ways through their association with lifesaving clubs, the State Emergency Service, the Country Fire Authority and other organisations. The volunteers unselfishly give their time, and on occasions their lives, in the service of their fellow citizens. That service should be recognised. I am extremely proud of the volunteer organisations in my electorate.

I also recognise the work of the people at the Southern Peninsula Rescue Squad. They provide rescue boats

and a helicopter service free of cost to those in danger, and they deserve to be recognised for the wonderful work they do. For the past four years I have been — and I still am — the state patron of the Australian Volunteer Coastguard, a privilege accorded to me by an organisation I am delighted to support. The work of the Australian Volunteer Coastguard throughout Victoria, including certain inland areas, is well known and goes back to 1962 when it was first formed. Thousands of people owe their lives to the work of the Australian Volunteer Coastguard, and I record on behalf of the house the great pride in and value of that work.

I shall now deal with an issue I would like honourable members to consider. In 1803 what is now known as the Collins settlement was established at Sorrento. It was the first European settlement in Victoria. After 9 or 10 months the settlement was not considered viable and the settlers sailed off and founded Tasmania, establishing Hobart. For many years the committee of the Collins Settlement Committee has been doing fine work in maintaining and encouraging visits to the original Collins settlement site at Sorrento. The association does an excellent job, and I encourage all honourable members to visit the settlement. It is a wonderful place to visit to gain an understanding of some of our history, and it is in a beautiful part of the state.

Due to unusual circumstances in recent years the Collins settlement site has become available for acquisition. Most of the land in this state is freehold, and following the death of the former owner of the site some years ago it is now available. I suggest to government members that here is a chance for Victoria to buy what could be its version of Plymouth Rock. Americans have always been proud of their Plymouth Rock, and here is Victoria's opportunity to have its own version. I would be pleased to provide honourable members with more information and detailed photographs if they are interested. As part of my encouragement of the Collins Settlement Committee I suggest to honourable members that this is a once-in-a-lifetime chance to acquire the birthplace of Victoria.

Like all honourable members, I am concerned about the drug menace that is facing our young. Over the past five years there has been an increase in drug use by young people. I am particularly concerned that over the past two or three years some of the small towns such as Wonthaggi, Inverloch, Cowes or Koo Wee Rup that never previously had visible drug problems are now exhibiting them. I neither have nor am offering an answer, but I support positive moves to address the serious problem.

Three broad principles must be recognised. Firstly, those who are involved with illicit drugs have a health problem. They should be treated as such and provided with medical and health services. Secondly, education is important from junior years through to secondary years. Thirdly, law enforcement is vital. Because of its distance from the city and its general rural and semirural environment my electorate was once one of the safe electorates for young people. However, the drug problem is becoming more visible and that is of concern to me.

I record my appreciation and thanks to former honourable members of this chamber who are no longer serving Victoria. I shall not give a dissertation on each but they worked extremely well in this chamber. I arrived in this place in 1992 and I record my appreciation and thanks for their professionalism. I am pleased that I had the opportunity to work with so many fine people who through time and the electoral process are not with us. The honourable members I would like to mention today are Rob Knowles, Dick de Fegely, Ron Wells, Caroline Hogg, Pat Power, Don Nardella, who is now in another place, Barry Pullen, Jean McLean, Doug Walpole, Tayfun Eren, Louise Asher, who is also in another place, Bill Hartigan, Sue Wilding and Rosemary Varty. Each served this house with great credit, distinction and professionalism. Sometimes the chamber was quiet and at other times it was noisy, but the business of the house was carried out according to the sincere beliefs of all the honourable members I have just mentioned. I appreciated their company and the opportunity to work with them. They made a magnificent contribution to the house. I am pleased to have the privilege of representing the constituents of South Eastern Province.

**Hon. JENNY MIKAKOS** (Jika Jika) — I am grateful for the opportunity to make a contribution to the address-in-reply to the Governor's speech, which set out the government's progressive program for Victoria for the next four years. It is a government of which I am proud to be a member.

Before addressing some of the points in the Governor's speech, I wish to begin my duties as the representative of the electors of Jika Jika by thanking them for their support. I am honoured to have been elected to represent them and will endeavour to ensure that their concerns and needs together with the needs of the Victorian community generally are addressed by the government.

I also wish to thank all the Australian Labor Party members and very many branches in Jika Jika that assisted in my election. I thank my campaign manager,

Tim Laurence, and my fellow candidates and colleagues, Mary Delahunty, Michael Leighton, Alex Andrianopoulos and Sherryl Garbutt for their assistance. I look forward to working with the Honourable Theo Theophanous to represent the electors of Jika Jika.

I also acknowledge the friendship and support of Ian Jones, Frans Timmerman, Don Nardella, the honourable member for Melton in the other place, George Gogas, Karen Sherlock, Peter Mitchell and my many other friends in the labour movement, who are too numerous to mention, for their support and confidence in me.

My deepest thanks I reserve for my parents and my younger sister, Niki, for their encouragement, support and assistance over the years. After migrating to Australia from Greece in the late 1960s my parents set to work in Melbourne's factories and building sites making a better life for themselves and especially for their two daughters. Although they instilled in both their daughters the importance of getting an education they had no set expectations other than that we should persist in whatever we did. My parents instilled in me the value of community service through their involvement in local school councils in my electorate. They instilled in me a value for the principles of equality and social justice, of our system of democracy and of hard work.

I congratulate the Premier on his outstanding leadership of the Australian Labor Party during the past year. I also congratulate the Leader of the Government and the Deputy Leader of the Government in this house and all the ministers on their appointments. I wish them well in fulfilling their important duties on behalf of all Victorians.

I also congratulate all the new members on both sides of the chamber who have just had the privilege, like me, of being elected to represent the people of Victoria. It is a great responsibility, and I am sure that all honourable members will rise to the challenge.

I also place on record my immense personal satisfaction that over half the members on this side of the house are women, and that 75 per cent of the government's ministers in this house are women. All candidates of the Australian Labor Party are selected on merit and the party's preselection rules ensure that women candidates of merit are able to be elected in greater numbers now than ever before. I wish to acknowledge the role played by organisations, such as Emily's List in its support of Labor women candidates. I thank them for their support of my own candidacy.

Of late much has been said in the media about women of my generation taking for granted the rights won by women over the past 30 years. However, I assure all honourable members that I take the view that much remains to be done to ensure the equality of men and women in all domains of life, including political office, so that a time may soon come when the number of women sitting on either side of the chamber need not be remarked on.

For example, the *Age* of 19 November reported that the Australian Bureau of Statistics has found that the average man still earns about \$159 a week more than the typical working woman. Unequal earnings, continued discrimination in the workplace, the so-called glass ceiling in the top echelons of the private and education sectors, the continued criminality of abortion and the critical shortage of affordable child care are but some of the issues that require attention.

Before making some comments about my electorate, I wish to acknowledge the work performed by my predecessor, Pat Power, on behalf of the ALP, the people of Jika Jika and the interests of rural and regional Victoria. I wish Pat well in his future endeavours.

Having been a life-long resident of my electorate, I feel especially pleased and humbled to be able to put something back into the community that has provided so much to me over the years. The province of Jika Jika comprises the inner northern and north-eastern suburbs of Alphington, Bundoora, Fairfield, Kingsbury, McLeod, Mill Park, Northcote, most of Preston and Reservoir, Thornbury, Watsonia, Yallambie and parts of Epping, Lalor, Greensborough, Rosanna, South Morang and Thomastown. Those suburbs are characterised by a high-density mix of 20th-century period and modern homes and significant parklands and waterways, being bounded on the north-eastern, eastern, western and southern boundaries by the Plenty River, Darebin Creek, Merri Creek and the Yarra River respectively.

Detracting from the natural beauty of the local environment is chronic housing overdevelopment in some parts of my electorate. Having been a municipal councillor with the former City of Northcote, I have seen first hand how difficult it has become for local councils, let alone local residents, to have meaningful input into the planning process.

I therefore welcome the Governor's remarks regarding the government's intention to make Victoria's planning laws simpler and more transparent, as well as its intention to abolish compulsory competitive tendering

for local government. Having spoken to many residents and municipal councillors on this issue, there is no doubt in my mind that compulsory competitive tendering has been an abysmal failure and has been about the previous government's ideological obsession with competition policy rather than more efficient service outcomes. Having had the privilege of serving my local community in local government, I also welcome the government's intention to afford local government proper constitutional recognition and to work cooperatively with elected local government representatives.

Jika Jika's community is rich in its cultural diversity. The 1996 census showed that 30.8 per cent of persons in my electorate were born outside Australia and 26.4 per cent were born in non-English-speaking countries. Of those, the countries of origin for the largest numbers are Italy and Greece, with many newer arrivals coming from China and Vietnam.

With 37.1 per cent of persons speaking a language other than English at home it is obvious that specialised interpreters are vital to many residents in Jika Jika, especially those residents accessing the health system. I recall with some dismay a story recently recounted to me by a doctor in a large public hospital about an elderly woman, whose proficiency in English was limited, having had a local taxidriver who happened to be visiting another sick relative act as the intermediary with medical staff, thereby depriving this woman of any privacy or assurance that she was giving proper informed consent to medical procedures. Staff in the public hospital system are to be commended for their dedication in difficult circumstances. I certainly do not regard the previous story as any indictment of their efforts to provide professional care but rather as an indictment of the previous government's starving of Victoria's public system in the pursuit of Mr Kennett's objective of pushing more Victorians out of Medicare and into private health insurance. It is situations such as these that the government-supported specialised interpretive services — including that for the health system — will seek to rectify.

Jika Jika also has a significant Aboriginal community. The name Jika Jika is derived from an Aboriginal elder of the Wurundjeri people who was a signatory to the so-called treaty with John Batman. Hypocritically, at the same time as John Batman acknowledged the Wurundjeri people as the owners of the land in a Western cultural sense, he sought to dispossess them of that land. In my view, the time has come for Australians to make amends for the grave historical injustice suffered by Australia's indigenous people.

Like many of my constituents I was born into a working-class family. Unlike many of my constituents, however, it has been my good fortune to receive the opportunity and family support to pursue tertiary studies and further my employment options. Support for our education and vocational training sectors is fundamental to provide everyone with the opportunity to pursue secure and fulfilling employment.

I am very pleased that the government has made education its highest priority. As indicated in the Governor's speech the government's intention of reducing class sizes for prep, year 1 and year 2 will go a long way towards giving many young children, especially those from electorates such as Jika Jika who come from disadvantaged socioeconomic backgrounds, the extra teaching time and attention required in the formative years of their education. In an electorate where 49.6 per cent of persons have either no income or earn a weekly gross income of less than \$300 and another 28.4 per cent of persons earn less than \$500, there is no doubt that Jika Jika is an economically disadvantaged area. Children whose parents earn low incomes often do not have access to the same resources such as computers at home, access to tutors or assistance from well-educated parents. The Bracks Labor government will ensure that all children receive access to a quality education system.

With one of the highest proportions of persons aged between 25 and 64 years, Jika Jika Province needs geriatric and other health services for what is an ageing community. The previous government's closure of the Preston and Northcote Community and Fairfield hospitals had an adverse impact on the availability and accessibility of health services for Jika Jika residents. That is supported by a recent study into the health needs of part of the electorate I represent conducted by the Australian Institute for Primary Care Centre for Social Health in its final report entitled *Health and Medical Services Review for the City of Darebin, August 1999*. I welcome the government's commitment to establish in 2000–2001 an integrated public health centre in the Darebin area to meet the health needs of Jika Jika residents.

On behalf of my constituents I thank the government for its reiteration, through the Governor's speech, that it will not proceed with the privatisation of the Austin hospital. That will ensure that residents in my electorate are able to access health services without being concerned about their ability to pay.

As outlined in the Governor's speech, the government will end the privatisation of health care. It is the notion of user pays, of customers rather than citizens and a

misplaced faith in an unregulated marketplace that distinguishes the ideology of the Australian Labor Party from that of the opposition. I am proud to belong to a party that espouses as its core values social justice, compassion, equality of opportunity and sound financial management.

A government that is a sound economic manager should not squander public money on monuments nor consider the budget bottom line as an end in itself. A sound economic manager should consider the implications of its policies on all the people it has been elected to govern. The reason we are willing participants in a democratic state is because we understand that the vagaries of the market alone cannot sustain a harmonious and equitable society. The dismantling of Victoria's public sector over the previous seven years has not seen an unsubsidised private sector address critical social problems such as unemployment, underemployment, poverty, homelessness, the illicit drug epidemic or escalating crime. In my view, the state has a legitimate role to play both as a regulator of the market and, where appropriate, as a service provider in its own right.

Further, I am convinced that the sell-off by the previous government of key public assets in the electricity, gas and transport areas will have adverse repercussions for the citizens of this state for many years to come. I look forward to the foreshadowed inquiry into the previous government's privatisation program and the proper scrutiny of all contracts entered into with private contractors by the previous government.

I say that, having worked for a large part of my previous legal career with small and large businesses employing many thousands of Victorians. I have had the good fortune to work with some very professional and talented members of the legal profession over the years and to have assisted a large cross-section of society as clients. More recently, I found great satisfaction in assisting new and existing businesses to expand their operations, some in new industries such as e-commerce and information technology. I have a great deal of respect and admiration for many small business people who are creative and committed to their industries and who treat their employees with dignity and fairness. The Australian Labor Party supports business in the pursuit of more jobs and greater security for all Victorians.

In many respects the marketplace is at its most brutal when it comes to the power — or lack thereof — between individuals selling their own labour and an exploitative employer. Parity can be possible only with a system of award protection, an unfettered trade union

movement and an independent arbiter. Workers deserve proper safety in their workplaces and a workers compensation system that does not penalise them for being victims of industrial accidents. I am proud to belong to a party committed to protecting workers and their families.

When I commenced my legal career I worked for a law firm in the western suburbs of Melbourne practising largely in criminal law. A great number of its clients were funded by legal aid. I have been greatly concerned about the decline in the availability of legal aid over the term of the previous government and welcome the current government's intention to improve legal aid funding and access to the legal justice system. I also welcome the government's intention to enshrine an independent Office of the Director of Public Prosecutions in the Victorian constitution.

Unemployment is a significant problem in Jika Jika. In September 1999 unemployment for the north-eastern Melbourne region — of which Jika Jika makes up half — was 8.6 per cent compared with the Victorian average of 7.5 per cent. So far as local industry is concerned the dominant employers within Jika Jika continue to be manufacturing, employing 19 per cent of the work force, retail trade employing 13 per cent and health and community services, employing 10 per cent. The loss of many manufacturing plants, especially in the clothing, textile and footwear industries, to cheaper work forces overseas during the past two decades has created a largely hidden class of unemployed workers, many of whom are unskilled, have limited English proficiency and are in their 40s and 50s with limited retraining opportunities.

I lament the closure more than a month ago of Diamond Cut International Pty Ltd in Fairfield and, as reported in the Northcote *Leader* of 6 October, the loss of a further 145 jobs. The retraining and redeployment of those people into the work force is a huge challenge for any government but one that must be seriously addressed.

The social dislocation caused by unemployment and its consequences for the mental and physical health and wellbeing of the individuals affected and their families is the greatest problem to beset our society. The Australian Labor Party does not regard unemployment as a necessary evil or the unemployed as those who have fallen on the scrap heap of a market economy. For those reasons I am especially pleased that the Attorney-General has taken on the additional responsibility for manufacturing industry and look forward to his initiatives to rebuild employment in Jika Jika and Victoria generally.

I mentioned at the outset that the Governor's speech referred to the government's program which was spelt out in great detail prior to 18 September and which it has a mandate to implement. The Legislative Council is presently hampered, both practically and by public perception, in its role as a house of review because of its inherently undemocratic method of election. This chamber has always been rather undemocratic, going back to its role as the bastion of the landed gentry in the 19th century, but just as this chamber was reformed then, so it must continue to evolve if it is to remain relevant as a democratic institution.

It is fundamentally undemocratic for a party to receive more than 50 per cent of the two-party preferred vote but hold only 32 per cent of the seats in this chamber. I understand that across Australia, only Victoria uses the same method of election for both its chambers. The government has made the very reasonable proposal that proportional representation be introduced for voting for this house and that representation be based on the basis of five multi-member regions of seven members each to be elected for four-year terms, thereby ensuring that the composition of this place reflects the will of the people. The opposition would do well to remember that the present party numbers in this house do not reflect the will of the people as evidenced on 18 September. The question of reform for this chamber should be put to the people to decide.

I have the utmost confidence in the good sense of Victorians to make decisions affecting their futures. Although I was personally disappointed with the recent referendum vote on the question of Australia becoming a republic, I was heartened that a clear majority of the people in my electorate agreed that Australia needs to face its future under an Australian head of state. I look forward to the day — I hope one day soon — when I can take an oath of allegiance not to her Majesty, her heirs and successors, but to the people of Victoria and the laws under which we live. In the meantime, I will continue to support the republican cause and hope the spirit of bipartisanship that existed among members of the Victorian Parliament prior to the referendum will continue into the future.

**Honourable Members** — Hear, hear!

**Hon. J. W. G. ROSS** (Higinbotham) — It gives me pleasure to participate in the address-in-reply to the Governor's speech. I congratulate you and wish you well, Mr Deputy President, on your recent election to that position. I also express my appreciation of the work done throughout his tenure by the Governor, Sir James Gobbo, in his exalted position. It is a comfort to me that according to the institutions of democracy in Victoria

Sir James is now advised by an alternative government and that transition occurred in the best democratic traditions of our community.

I welcome the new members to Parliament and congratulate them on the contributions they have made in their maiden speeches. A rich tradition exists in this place that members on both sides sit in silence to receive the contributions of new members. I suggest that on some occasions individual members have sailed fairly close to the wind in that regard.

I also express regret and acknowledge, as many earlier speakers have done, the departure from the 53rd Parliament of colleagues on both sides. Their contributions have been acknowledged by the Honourables Ron Bowden, Andrew Brideson and others, and I do not wish to be too particular in my recognition of their work. I doubt my capacity to give an accurate evaluation of their contributions during the many years in which they have collectively served.

Nevertheless, I put their names on the record. I acknowledge the move of Louise Asher to the Legislative Assembly and her election to the auspicious position of Deputy Leader of the Parliamentary Liberal Party. I congratulate her on that appointment. Other members are Dick de Fegely, Bill Hartigan, Rob Knowles, Rosemary Varty, Ron Wells, Sue Wilding, Tayfun Eren, Caroline Hogg, Jean McLean, Don Nardella, Pat Power, Barry Pullen and Doug Walpole.

The adversarial nature of proceedings in Parliaments world wide and in Victoria and their legal and political institutions, induce such competitiveness that members do not always see the best in one another. Nevertheless, I celebrate them all and their contributions.

I have never doubted the motives of honourable members on either side. I have seen politicians working in the field and know both the enormous sacrifice they make in their personal and family lives and the unending round of interaction they undertake to advance the value of services within their communities.

It is an onerous task, and anyone who enters public life almost invariably does so with the best of motives. Nevertheless differences in philosophy do exist between the various parties in this house, and some Independents in the other place.

Members of the Liberal Party place a great deal of emphasis on individuality and the ability to face life's challenges in business and other areas. Although the objectives of members of both sides of the house may

be exactly the same perhaps there are variations in our appreciation of how best to achieve those objectives.

I have seen my two sons take up the challenge of moving into small business, assembling capital and employing staff. Through their commitment over the years I have seen first hand that there is no substitute for an emphasis on individual initiative, energy, commitment to the task and personal accountability. That is the cornerstone of the philosophy that comes from this side of the house.

I will pick up on one or two of the issues which have become a mantra and which unfairly stereotype the respective positions of the parties. Despite the clear failure of many of the large command economies in Eastern Europe, I have heard as a recurrent theme in this house — both prior to the present government taking office and since — that there is something wrong with the principle of privatisation. Labor believes there are certain essential services that can be delivered only through large state-owned monopolies with highly structured and heavily unionised work forces. In fairness to Labor, I suppose its members would suggest that that structure has an ability to deliver dividends to the state.

The instrumentalities one would obviously think of are those responsible for the collection and reticulation of water, generation of electricity, transport and the supply of gas. However, they should be viewed in the historical context that when assembling those large enterprises Australia and Victoria were relatively young jurisdictions compared to the rest of the world and were not in possession of the resources and private capital required to develop such large enterprises. Only the government was able to assemble sufficient resources to build a power company and develop the infrastructure associated with it — and likewise with water and transport.

There is no inherent reason why only governments can deliver on such a grand scale. In earlier times only the federal or state governments, and possibly local governments, were able to assemble the necessary capital for such projects, but in recent times the Australian and Victorian economies have matured and capital can now be acquired from sources other than the government.

Rather than suggesting that through the privatisation process the government in some way abdicates its responsibility, it is much more a recognition that following its relatively recent history, Australia is moving into a new epoch in which the private sector can pick up those facilities and deliver useful outcomes.

No-one needs to do more than to visit other countries such as the United States and Japan — in particular, Tokyo, with its private-sector rail infrastructure and high level of efficiency delivered to the Japanese community — to appreciate that it is not only governments that are able to deliver on such large projects.

The former Hawke and Keating governments recognised fairly early in their terms of office that such changes in the maturation process of the economy were necessary. They led the charge in commissioning the Hilmer report to develop the national competition policy. Through a process of communication with the Council of Australian Governments agreement was reached and incentives delivered to jurisdictions around the country to move towards a more competitive environment.

The Kennett government was elected into that mood in 1992. Its inheritance of a \$32 billion debt probably injected an element of urgency and short-term justification into what might otherwise have been seen as a simple process of maturation of the Victorian economy.

It was easily argued that it was best to exchange equity for debt and that it was inevitable.

A sell-off of the state's silverware to redeem the debt incurred by the previous government is not being suggested: rather a natural maturation of the economy, producing a more diverse national and international base from which to draw capital and deliver key activities, can be recognised.

The Kennett government has nothing to apologise for over its time on the Treasury benches. In 1992 when the Kennett government came to office GDP growth was negative 1.5 per cent. In 1999 GDP growth had been turned around and was positive 5.3 per cent. In 1992 unemployment was 11.8 per cent, but in 1999 it was 7.4 per cent. When the Liberal Party took office in 1992 net state debt was \$32.3 billion, whereas in 1999 it stands at \$6.1 billion. In 1992 the budget deficit was \$2061 million; it is now \$1.7 billion in surplus. In 1992 Victoria's credit rating was AA with a negative outlook; the state now has the highest credit rating — AAA — with a stable outlook. In 1992, 1.952 million Victorians were in work compared with 2.79 million Victorians in 1999. In 1992 business investment growth was negative 10.7 per cent but it is positive 4.3 per cent in 1999. The crowning statistic is that in 1992, 20 000 Victorians migrated interstate. This year Victoria is gaining people from other states.

The magnificent achievements of the Kennett government in terms of key economic indicators and the inheritance by the Labor Party of an administration in fine fettle poised for future development should be put on the record.

I wish to refer briefly to workplace reform. When the coalition came to government a cumbersome two-tiered structure of federal and state industrial relations commissions was in place which, at best, could be described as archaic. It provided the ability for trade unions to move between awards and was counterproductive to attracting new enterprises to the state.

Whenever enterprises look at potential locations for new industries in this state, the first thing they wish to be apprised of is the industrial relations climate and whether the necessary mechanisms are in place for them to meet their obligations to their work forces. The first question always asked is, 'Where do we go to obtain the necessary information to be able to satisfy the demands of the local community?'. It is grossly inefficient for that mechanism to be split between state and federal awards. Who could forget the flight of public sector unions to commonwealth awards when the Kennett government was elected to office in 1992?

The Labor Party has often said that the Kennett government destroyed the Westminster system of public service. It is important to put the truth of the matter on the record.

When the Cain Labor government came to office in 1982 I was employed in the Victorian health department. I had been attracted to that profession because of a genuine desire for impartiality in delivering in the Westminster tradition the best service I could to the government of the day. Under a system that had evolved over many years the former Public Service Board was both the employer of public servants and the arbitrator of public service salary and conditions. The Public Service Board was seen as an employer independent of the government.

One of the first statements I recall John Cain making when coming to office in 1982 was that public servants were the employees of the government and that he would act accordingly. He then quickly established the senior executive service. At the time I made a prediction, which I believe was right, that that action was the thin end of the wedge in the destruction of the Westminster system and the public service as we had known it. The Victorian public service has increasingly become like the American public service, in which the

executive comes and goes with the government of the day.

In the United States of America senior public servants traditionally tender their resignations after an election if the government changes hands, and the government of the day may or may not accept those resignations. Under that ritual it is recognised that the administration of the public service will ebb and flow with the government of the day. That procedure is entirely different to the Westminster tradition that Victoria enjoyed. Under the Cain government the senior executive service rapidly became the political layer on top of the traditional public service.

To its credit the Kennett government acknowledged that fact and did not attempt to cover up its approach to the public service. The new tradition was never as obvious as it was following the recent election of the Bracks government. I refer to an article in the *Age* of 11 November headed 'Private contracts to get the sack', which states:

In a direct challenge to the federal government's workplace reforms, the Victorian government will end individual contracts and return to collective bargaining in the public service.

An article in the *Herald Sun* of 10 November under the heading 'Executive sack pay hits \$5m' states:

Golden handshake deals for public service chiefs facing dismissal will cost taxpayers up to \$5 million.

But Mr Bracks' office last night defended the offer as reasonable.

'This is a one-off cost which will be more than compensated for in terms of long-term savings in the budget'.

I dispute that absolutely. The truth is that there is no need to make massive savings in the public sector. Victoria is seeing the turnover of the senior executive service, which will be replaced by the injection into the public service of people of a suitable political persuasion.

The government says it intends to make savings. Information from the Office of Public Employment in the Department of Premier and Cabinet shows that on 16 October 1992 — that is, shortly after the Kennett government came to power — there were 289 263 public sector employees. By 30 June 1998 that had been reduced to 216 814, and by 30 June this year the total had come down to 194 136. During the Kennett government era the number of public sector employees declined by 95 127. The suggestion that there was a need for the Bracks government to start slashing the

public sector to make savings is a gross misrepresentation of the situation.

The philosophy of members on this side of the house means that we prefer individuals to be in productive employment outside government rather than absorbing the wealth of others by being employed within government.

During that same period overall employment in Victoria increased. Australian Bureau of Statistics records show that in August 1992 in Victoria 1 952 200 individuals were employed and that by August 1999 that figure had risen to 2 179 000. In other words, employment increased by 226 800 during those seven years.

It is clear that individuals who had been displaced from the public service were picked up by the private sector. Make no mistake, Mr Deputy President, the Westminster tradition has long gone from the public service, as I predicted, and the Australian Labor Party has been the main architect of its passing.

I will briefly refer to the malignant distrust of the upper house felt by members on the other side. Upper houses in Australia have been the subject of Labor prejudice over generations. I understand that, with its egalitarian traditions, the ALP probably sees some allegorical comparability between this house and the House of Lords. It is true to say that Westminster was the cradle of democracy and government as we know it in Australia and Victoria. However, a long time has passed. There is no comparability with that situation these days. Nevertheless, it should be recognised that 150 years ago that prototype laid the foundations for our bicameral system of government.

Accordingly, I find it distasteful that the government advised the Governor to predict how the house may deal with matters, which are yet to come before it, relating to its so-called reform. It is particularly galling that, even before the arguments have been touched on, the Governor has anticipated the need for a plebiscite. The government is telegraphing its own prejudice on the issue.

The 54th Parliament should maintain an open mind on issues yet to be debated, including the role and function of the upper house. I understand that honourable members opposite are haunted by issues such as the 1947 denial of supply to the government led by John Cain, Sr, and the dismissal of the Whitlam federal government in 1975. I also understand that the annals of Labor folklore have provided an invisible momentum for the abuse implied in the suggestion that,

irrespective of the issues that are debated in this place, the matter will be taken to a plebiscite of the Victorian community.

Surely the ALP can see that the current and recent state of the house have been among the intended consequences of the architects of the Victorian constitution? I do not want to dwell on the abysmal track record of the Guilty Party or the situation inherited by the Kennett government in 1992. Nevertheless, even the doyens of the Australian Labor Party have acknowledged that the drubbing handed out by the community in 1992 was deserved and that the Kennett government was washed into office by a tidal wave of acknowledgment that things had to be done differently.

The constitutional legacy in this house is that the community voted purposefully to put a restraint on future governments. The truth is that in 1992, 1996 and more recently the Victorian community voted to ensure that, regardless of which party formed government in the lower house, it would be a long time before the Labor Party was given unbridled access to the Treasury.

Victorian governments have rarely had a majority in both houses. The Bolte Liberal government had a majority in the upper house for one day in 18 years! Sir Henry Bolte acknowledged that that situation probably resulted in a far more robust government than would otherwise have been the case. During its 10 years in office the Cain government had an upper house majority for one week only.

Practically all modern constitutions have systems of checks and balances that ensure a measure of protection against casual interference. The great architects of

Victoria's constitution envisaged the exact situation which all of us have lived through over the past 17 years and in which we find ourselves today.

The message delivered by the Governor is that the Labor Party would like to render this house dysfunctional. I believe there is great merit in the continuity provided over successive terms by the Legislative Council. That continuity, together with the broader geographic perspective provided by the aggregation of lower house seats, ensures that the upper house is significantly different from the lower house in its analysis of issues, thereby guaranteeing its policy review role.

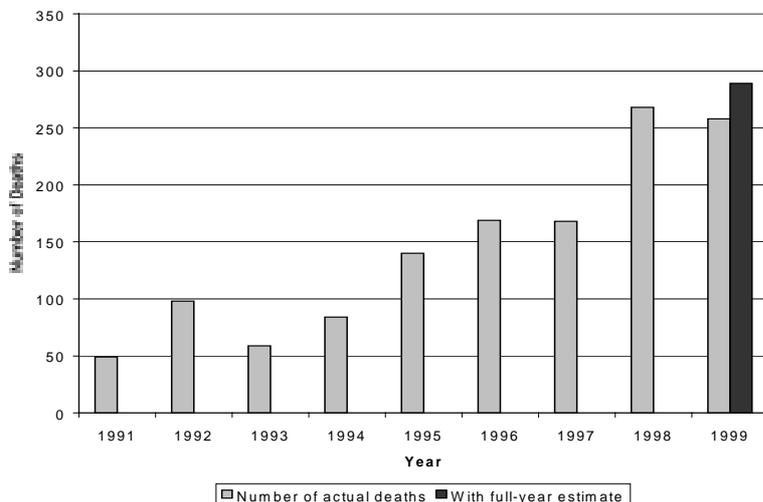
The minority Labor government's proposal for a Legislative Council comprising five 7-member provinces that return 35 members is unworkable. It would be so weighted towards the metropolitan area as to deprive country Victoria of any local representation.

Under the present system honourable members occupy offices in electorates throughout the length and breadth of Victoria. A move towards proportional representation would severely disturb that situation. Many studies on the preferential voting system suggest that it encourages a greater accommodation between competing groups, provides a more representative legislature and, compared with the model on offer by the government, ensures more local representation, especially in the country, than could otherwise be achieved.

I will touch briefly on the issue of drugs in the community. I seek the leave of the house to table some graphs to support the arguments I will put.

*Leave granted; graphs as follows:*

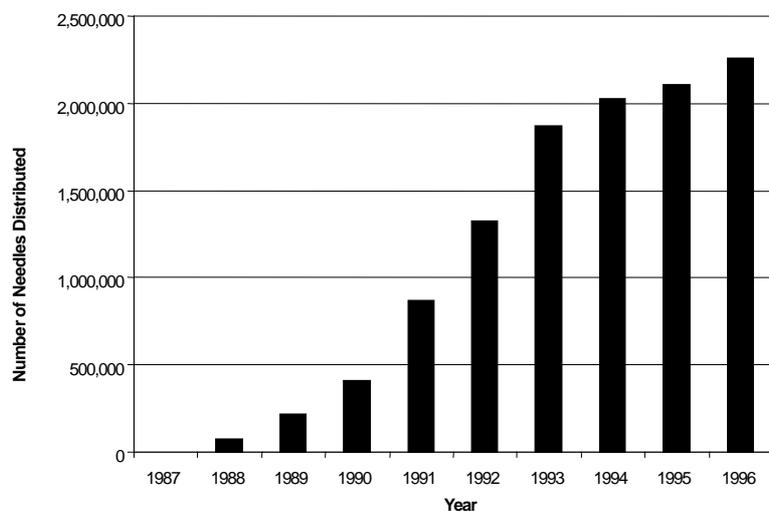
**Number of Heroin-Related Deaths in Victoria**



Year	Number of Deaths
1991	49
1992	98
1993	59
1994	84
1995	140
1996	169
1997	168
1998	268
1999	258*(289**)

Source: Victorian Institute of Forensic Medicine  
 \*Herald Sun year to 22 November, 1999  
 \*\* Projection to 31 December, 1999

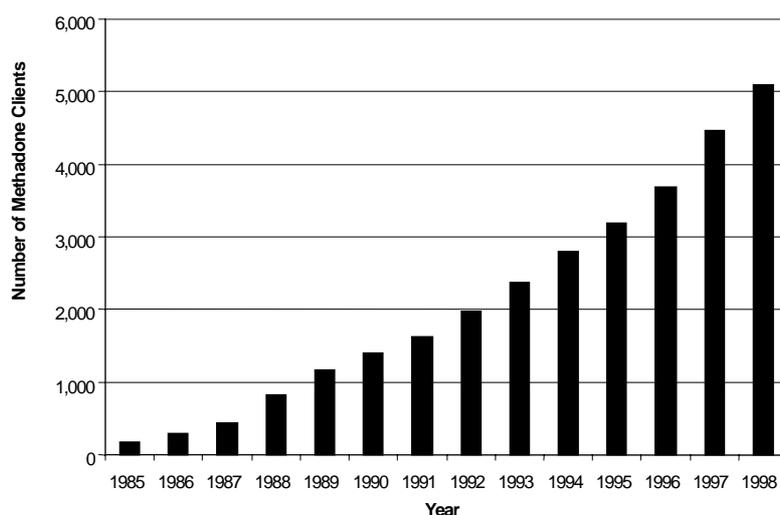
### Total Distribution of Needles for Illicit Drug Use by the Victorian Needle and Syringe Program 1987–1996



Year	Number of Needles Distributed
1987	582
1988	73,391
1989	216,424
1990	411,579
1991	869,819
1992	1,325,559
1993	1,871,629
1994	2,030,076
1995	2,109,500
1996	2,259,562

Source: Department of Human Services, Victoria

### Clients in the Victorian Methadone Program 1985–1998



Year	Number of Methadone Clients
1985	181
1986	290
1987	445
1988	821
1989	1,164
1990	1,407
1991	1,630
1992	1,980
1993	2,376
1994	2,793
1995	3,193
1996	3,694
1997	4,464
1998	5,095

Source: Department of Human Services, Victoria

**Hon. J. W. G. ROSS**— The graphs contain a timely warning about the magnitude of the drug problem in Victoria. The harm minimisation philosophy was first articulated in the early 1980s and subsequently enshrined in the national campaign against drug abuse. It is spelled out in the National Drug Strategic Plan 1993–97, which was issued by the National Drug Strategy Committee for the Ministerial Council on Drug Strategy.

The harm minimisation approach was based on the philosophy that, given the difficulties inherent in condoning illicit drug use, it was better to adopt a process whereby the harm was minimised and the behaviour was, to some extent, tentatively

acknowledged. My belief is that that was the badging of a long-term tradition of medical and other responses to the drug problem.

In the early 1970s I well recall people such as Dr John Poolman and Mr Rod Patterson of the Buoyancy Foundation saying that when intravenous drug users came to them with health problems such as dental abscesses and sores on their arms the first thing they did was to assist them with their acute medical problems and instruct them in how to use drugs more safely.

The harm minimisation philosophy had been used by the medical and other caring professions for many years. However, concurrent with the advent of the harm

minimisation philosophy — I am not so sure that if given the choice again we would do anything differently — came the recognition that, because of the looming spread of HIV/AIDS, many of the health problems that were endemic to the intravenous drug-using community could not be controlled and had the capacity to break out into the general community.

One of the early initiatives was to supply needles to illicit drug users. I refer to the graph headed 'Total distribution of needles for illicit drug use by the Victorian needle and syringe program 1987–1996'. It depicts a massive escalation in distribution, from 582 syringes and needles in 1987 to 2 259 562 in 1996. That increase was a direct result of the harm minimisation policy. However, it was also a direct result of an increasing and escalating drug problem.

I refer honourable members to the number of heroin-related deaths in Victoria. In 1991 there were 49 deaths, and if one extrapolates to the end of this year to obtain a full-year comparison with 1991 one sees that there will be close to 300 deaths from heroin overdoses this year.

I turn to the graph of clients in the Victorian methadone program between 1985 and 1998. The philosophy of the program was to attract intravenous drug users into care and to provide them with a substance that substituted for their addiction that was active by mouth and had a long duration of action. The massive escalation resulted from policy and was therefore not surprising. In 1985 there were 181 methadone clients compared with 5095 in 1998. The time is coming when it will be necessary to ask whether the harm-minimisation philosophy that offered an answer to the escalating problem of drug abuse has achieved its objectives. It may well be that we would do it all again given the spectre of HIV/AIDS and the need to control disease within the community. However, as in other parts of the world, we are starting to recognise that drug abuse is a contagious phenomenon, like many other contagious diseases, and it may be that the more we facilitate and foster drug taking, even with the best intentions in the world, the more the problem escalates.

In visiting Holland I have witnessed a change in attitude in recent years. Holland has always maintained a liberal attitude to the use of drugs, as exemplified by the use of cannabis in coffee shops, more recently self-injecting rooms and a variety of other facilities. The reality is that the drug problem has continued to escalate, and the Dutch are now questioning the wisdom of the approach they have taken.

On my most recent visit to Holland I noted that forces not only from health but from tourism and the general community, in their assessment of local amenity and commerce, were demanding more and more controls on drug trafficking. A long article by Larry Collins, headed 'How Holland Made a Hash of Drugs', in the *Herald Sun* of 15 August says the Dutch are now re-evaluating their position.

While visiting Holland six months ago I was astonished to see that on Friday evenings a mobile police station was wheeled into one of the main central areas of Amsterdam, the Dam. Outside the plaza of the Amsterdam railway station there was another mobile police station. I saw three policemen mounted on horses, approximately four policemen on motor scooters and a contingent of policemen on bicycles. Enforcement is very much coming back in Holland. The philosophy of self-injecting rooms was in recognition of the need to move the drug problem on while at the same time offering a facility that enabled drug users to continue their habit.

Sweden is another jurisdiction that has a history of a liberal attitude towards drugs that has in subsequent decades become less liberal, to the extent that Sweden now has a harsh policy.

I refer to the experience of Dr John Marks in Merseyside, England, who set up facilities for more ready access to intravenous drugs of addiction. The local health authorities had to step in, and they suggested the program was counterproductive.

I place on the record the need to take a step back and look at the whole process. I am not suggesting for one moment that the harm-minimisation policy was not a wise policy when it was adopted, but one can ask how much longer this can go on. An argument that is often put to me is how much worse the drug problem might have been without the harm-minimisation response. With a death nearly every day from intravenous heroin use, how much worse can it get? As a community we must focus on the extent of the drug problem, and I am pleased that the government has taken the issue extremely seriously and has established an expert committee under the chairmanship of Dr Penington.

In looking at the membership of the drug expert committee I make the point that in contradiction to all I have witnessed in Europe and other parts of the world there is not one senior policeman on the committee. I compare that with the massive effort the Kennett government made to deal with this problem during its term in office. More than \$100 million was delivered

over four years to ensure that potentially every child in Victoria receives some form of drug education.

When considering how to address the drug issue one should keep in mind it has much in common with other health issues. Essentially it is a behavioural problem that is amenable to long-term education. Looking at the initiatives put in place by the Kennett government one sees that they are the sorts of programs that will deliver outcomes, although often with a very long time scale. The focus must be on developing a health-wise community that is able to live in an environment where there are many potential threats.

With those words I conclude my response to the Governor's speech, and I thank the house for its attention.

**Hon. M. T. LUCKINS** (Waverley) — This is the third Governor's speech to which I have responded, the first response being when I was elected in 1996, the second after the Parliament was prorogued last year, and now the Governor's speech on the opening of the 54th Parliament, which I must say was the least visionary of the three speeches to which I have responded.

Before I proceed with my address-in-reply I place on record a tribute to many honourable members who have left since the last election, either voluntarily or involuntarily. Firstly, the Honourable Rob Knowles served the house with distinction from 1976 and was most recently the Minister for Health in the Kennett government. Mr Knowles made an invaluable contribution not only to the chamber but also to his own electorate and the Liberal Party in general. I commend him for his past achievements and wish him well for the future.

Rosemary Varty retired at the last election. I have known Rosemary for many years, and she has contributed greatly, particularly to the advancement of women's issues both inside Parliament and in the wider community. Louise Asher, in moving to the lower house and assuming the deputy leadership of the Liberal Party, has left an indelible mark on the chamber. Louise will continue to make a tremendous contribution not only as deputy opposition leader now but as deputy Liberal leader in the next government.

The house also lost Dick de Fegely to retirement, and Bill Hartigan. Many of the new members who did not have the pleasure of meeting Bill will miss out on his tremendous contribution to the house. He really brightened things up during his time in Parliament.

The Honourable Sue Wilding, with whom I had the pleasure of working closely because our electorates were adjacent, will be sadly missed, as will the Honourable Ron Wells, who retired.

In 1992, when I sought to enter the lower house and was unsuccessful by 19 votes, Dr Wells was my upper house candidate and subsequent member, and we worked closely together.

I place on record a tribute to the Honourables Caroline Hogg and Jean McLean, who both retired at the last election. Caroline is a lady of great dignity who was committed to the people of Victoria. Although we are on opposite sides I have the utmost respect for her and for Jean McLean, who has done so much, particularly with her commitment during the past 10 years to the people of East Timor.

I turn to the address of the Governor at the opening of the first session of the 54th Parliament. Generally the speeches are written by the government of the day to provide an outline for the next term and a vision for the future.

Between 1992 and 1999 the former Kennett government offered a vision in its previous speeches to the house both after an election and through the proroguing of Parliament. The speeches usually set out the aspirations, hopes and planned initiatives of the government. The last two Kennett government speeches dealt with the issues of drugs, depression, women's health, breast cancer, carers and suicide prevention. Those are visionary whole-of-society concerns. When I read the speech presented by the Governor on the plans of the new Bracks minority government I was somewhat concerned that what was being presented was reactionary rather than progressive. It would be a pity for Victorians to go back to the mismanagement of the previous Labor governments or return to the days when progression was not the goal for the good of society.

Social justice is a term that, while not used in the Governor's speech, is one that is claimed by the Australian Labor Party as its own. I now use the term 'social advantage'. The Liberal government has always had more recognition for its prudent economic management than for what it achieved for the whole of society in its social policies. Prudent economic management was necessary in 1992, but for all Liberals economic management is a means to an end, and the end is to provide services for all Victorians who require assistance. I was surprised to read in the Governor's speech that:

The minority Bracks government believes in growing the whole of the state and will take immediate action to restore confidence in Victoria.

That is an abhorrent statement. Why? When the Kennett government came to office in 1992 the deficit on recurrent expenditure was \$2.3 billion, debt was \$32.3 billion and unemployment was 11.8 per cent. When I went to work as an adviser to the Honourable Phil Gude in 1992 the current Premier was in charge of the employment branch and I worked closely with him. He was there when Victoria had 11.8 per cent unemployment.

A number of failed employment programs were disgracefully run and resulted in high unemployment. There was a lack of confidence and opportunity in Victoria and a lack of hope for the future. Victoria's credit rating was AA negative. There was a negative investment growth of 10.7 per cent and in seven years, from 1992 to 1999, the Kennett government turned that around; Victoria had the highest employment level in Victoria's history with 2.2 million Victorians employed. In October 1999 the unemployment rate in Victoria was 6.6 per cent.

The former government has handed over a \$1.7 billion surplus to the new government and debt has been reduced to \$6.1 billion. There is positive investment growth of 4.3 per cent. The gross domestic product growth rate is around 5.3 per cent and Victoria achieved a AAA credit rating, which is important in the overall economic stability of the state. It enables the government to spend more on services and less on the interest payments to banks, predominantly overseas banks, for loans taken out by previous Labor governments. Victoria's credit rating has already been put on watch by Standard and Poor's. For the sake of future Victorians I hope the minority Bracks Labor government manages to look after the state, which has been handed over in superb economic condition, and does not risk its stability and future.

When the Bracks government talks about taking immediate action to restore confidence in Victoria, I am a little stunned because most confidence in an individual, community or a society comes from economic stability and a feeling of security. The best way to provide pride and confidence is to give people the opportunity to maintain their dignity, independence and self-esteem. That occurs through employment, self-sufficiency and looking after oneself and one's family. In turn that delivers a flow-on effect to the wider community and the state as a whole. The Kennett government legacy is that 2.2 million Victorians are now gainfully employed and can look after themselves

and others in the community who are worse off than themselves.

When the Liberal Party was formed in 1944 Sir Robert Menzies said:

What we must look for, and it is a matter of desperate importance to our society, is a true revival of liberal thought which will work for social justice and security.

I cite that reference because I am tired of the Labor Party suggesting that it is the only party that cares about people and to which social justice means anything. Sir Robert also said:

We took the name Liberal because we are determined to be a progressive party willing to make experiments, in no sense reactionary, but believing in the individual, his or her rights and his or her enterprise.

I am sure Sir Robert would have said 'his or her' today. The former government was not in any way conservative or reactionary. Ironically, I am concerned that the new minority Bracks government will be conservative and reactionary. There is nothing in the Governor's speech to change my mind. The Kennett government was progressive, responsive, forthright and reformist. We should not believe all the rhetoric from the new government.

Between 1992 and 1999 community services assisted families across Victoria in both city and rural areas, particularly with the provision of parenting strategies. The Kennett government saw gaps in the services provided for families — a unit the Kennett government regarded as being fundamental to society. If people cannot look after each other, negative social consequences result. The strategies included the establishment of Parentline, a 24-hour telephone service offering counselling and referrals to parents of any-age children. The Victorian Parenting Centre and regional parenting services provided additional support to parents. It was a great initiative in rural Victoria in particular. The positive parenting program, which distributed videotapes as well as fact sheets on how best to deal with routine problems as a parent, was a tremendous asset to anyone with young children. I still refer to them.

The former coalition government established the new Queen Elizabeth Centre at Noble Park, which is close to my electorate, and spent \$3 million on new facilities to provide support to families with new babies. In addition, state and local governments have worked in conjunction to strengthen child and maternal health services. The Labor Party has often been critical of that service but I suggest that perhaps not many of its members are in as much contact as I am with the

service personally and also through friends who are the parents of young children. It is not just on my word that I ask members to believe that the Kennett government improved the service. Some 90 per cent of the new mothers who have visited the new child and maternal health centres have said they are satisfied with the services they receive.

The coalition government introduced mandatory reporting to assist with the care and protection of children. The previous Labor government talked for years about doing so but never had the guts or ability to implement the policy. The Kennett government also boosted the funding for child protection services by 35 per cent during its period in office.

The coalition invested a considerable amount of money and time in family policies such as strengthening family and high-risk infant and adolescent initiatives. Reflecting the view that children are best cared for in a family environment, the Kennett government allocated \$4.2 million per year to increase foster care payments to one of the highest levels in Australia.

Problem gambling is another area where the Labor Party gets on its high horse. I put on record that the Labor Party, not the Kennett government, approved gaming establishments in Victoria. Under the Labor proposal 40 000 poker machines would have been installed across Victoria. Immediately it came to government the coalition capped that at 27 500, and that cap remained in place until the end of its term in government. The Labor Party approved the establishment of gaming in Victoria without investigating its impact on the community. I find it ironic that the Labor Party in opposition was so critical of gaming as to suggest that the Kennett government had somehow let down Victorian families and individuals by not considering its impact. Prior to the election of the coalition government in 1992 the then Labor government funded no gambling strategy to deal with problem gambling. The coalition government incorporated a 24-hour telephone line known as G-Line. It also established Breakeven counselling at 100 sites around the state.

Concessions that benefited Victorians were always enhanced under the previous Kennett government. A total of 650 000 Victorians benefited from state energy, sewerage and water concessions and in addition small households and businesses benefited from \$60 reductions in winter electricity bills in 1998 and 1999. They will benefit again in 2000.

Disability services were also greatly enhanced under the previous government. The Kennett government

created 1200 new community-based accommodation places and trebled the aids and equipment program, increasing assistance for children with disabilities. It also expended \$28 million for the upgrade of fire safety measures across government and non-government disability service sectors.

Youth affairs is another area to which I have a great commitment. The coalition established the Victorian Youth Development program, which 1150 students across Victoria from year 8 to 12 have joined. Springvale Secondary College in my electorate has also benefited from that program, and the changes in the individual students who are participating are profound. I hope that is one program that will continue under the minority government.

When I was advising the former Minister for Industry and Employment the Community Business Employment program had a specific focus on helping those in most need of assistance. Since its inception in 1994 it has been very successful and found jobs for more than 58 000 Victorian job seekers including 19 000 young people. That program has acted as the model for the federal government program. It enables community groups to work in their local areas with local employers and industry to match jobs to the skills of the people seeking employment. Training is provided to ensure that a proper match is made. Unlike the failed Labor government employment programs, the coalition government programs staggered payments over a period of months to ensure that the person did not just turn up for the first day but had to remain in employment for six months before the community organisation received the funding for the position.

The Kennett government allocated \$50 million to tackle youth homelessness. One program with which I was involved was the Foundation for Homeless Youth. The previous Minister for Housing, Ann Henderson, agreed at the instigation of Rotary to provide matched funding for the construction of houses for homeless youth. The foundation was first established by the Oakleigh Rotary Club and involves local technical and further education students building the house, the local Rotary Club raising around \$40 000 and the state housing department providing matched funding and the land on which the house is to be built. The program has been tremendously successful, a fact that I hope will not be lost on the new government.

The previous government was very keen to ensure that older Victorians had the opportunity to live independently and in the homes of their choice for as long as possible. Many older Victorians feel very concerned about leaving their homes and the areas with

which they feel comfortable and familiar. It has been documented that the health of elderly people fails if they are removed from the environments in which they prefer to live.

Since 1992 home and community care funding increased by 43.2 per cent to provide home help, maintenance and home nursing to enable older Victorians to live in confidence in their own homes. A number of preventive programs were developed over the previous term of government and an additional \$7.4 million was spent on research and development of services for older Victorians.

Positive ageing has been another successful program. In 1998, 350 000 Victorians attended Seniors Week activities and more than 650 000 Victorians now enjoy the benefits of being Seniors Card holders.

The hospital in the home program is also an initiative of the former Kennett government. In the past three years \$5 million has been contributed for specialist rehabilitation and nursing services in people's homes. Those services help to avoid hospital readmissions and provide improved and better coordinated support services after discharge to ensure that people are well cared for and that their health does not deteriorate.

The Minister for Women's Affairs has been silent on the government's plan for women, in particular the women's action plan. I was fortunate enough to be a member of the consultative committee that was appointed to develop the plan. Several coalition members travelled around Victoria for many months investigating the services that were available to women in suburban, regional and rural communities. Not only were the available services investigated, but the committee actively consulted with women about the lack of services and the measures that were needed to give them greater opportunities and make their lives more productive. The committee's work received widespread community support. The opposition would like to hear the government's plans.

The government is also silent on women's health issues. The substantial women's health plan was released as part of the former Kennett government's health policy. A working committee was established to investigate the anticipated needs of women in the coming 10 or 20 years and the health challenges that need to be faced to ensure that hospital services in particular are able to cope with the increased demands of both an ageing population and women having babies at an older age.

Palliative care services in Victoria were expanded substantially under the former government, with a funding increase of \$8.3 million, or 23 per cent in 1998–99 alone. The number of inpatient beds increased from 154 to 233. I hope the minority Labor government maintains a commitment to that important area.

Many people advocate euthanasia. I would prefer palliative care services to be enhanced to ensure that people live out their final days with dignity and without pain rather than having politicians put in the terrible position of playing God by legislating on who lives and who dies.

During the term of the former Kennett government public housing was transformed through the acquisition of 12 000 new homes and units and the redevelopment or refurbishment of others. Since 1992 more than 3500 purpose-built units have been acquired for older people, bringing to 21 000 the number of houses and units providing accommodation for older Victorians. I hope the fiscal management of the Bracks government will ensure that housing stocks and schools will not be neglected, as occurred during the Cain–Kirner years, and that funding will be provided to maintain the state's assets in tiptop condition. The opposition hopes it will not have to catch up on a backlog when it next comes to government.

Health service provision was a controversial area during the election campaign. Since 1992 the former Kennett government spent almost \$1.3 billion on the redevelopment of health services across Victoria. A more efficient system was created to enable 300 000 more patients to be treated compared with 1992. The new government will quickly find it has many challenges to meet in the health portfolio. I am dismayed by its plans to dismantle the health care networks. The Southern Health Care Network, which is in my electorate, has moved to create one umbrella with the Monash Link Community Health Service and the Berwickwide Community Health Service. Purchasing and communications have become more efficient because of the linkages between the community health sector and the tertiary sector. It is a matter not only of saving money in the bureaucracy or in the administration of the networks but of how best to manage the state's precious resources to ensure that all Victorians have access to proper care.

I turn to education. In June, prior to the election, the former Kennett government announced the provision of an additional \$7 million for computer subsidies. Victorian schools have a ratio of one computer for every five students, which is the highest in Australia and one of the highest in the world. I hope the Minister

for Education will continue to focus on positive outcomes for the children rather than benefits for the teachers. It is all very well to increase teacher numbers, but unless the educational aspect is right — and access to computers offers great opportunities for all Victorian students — the children will not benefit as they should.

The former government was also committed to early literacy and numeracy and allocated \$102 million a year to those programs. It introduced the learning assessment program (LAP) tests, which were a little controversial and were criticised by the Labor Party but which have provided great information to government, teachers, school communities and parents about the progress of individual children class by class, to compare the performance of teachers, and school by school.

LAP was not designed to result in negative inferences being drawn on the performance of individual teachers or schools. Because many areas are disadvantaged it is not possible to make comparisons unless apples are compared with apples. However, regardless of where people live and where their children go to school the standard of education across Victoria must be comparable, and that can be guaranteed through testing, as has been done through the LAP tests. I hope the program will be maintained in the future.

The majority of schools in my electorate underwent complete capital upgrades when the coalition was in government. In 1992 the Kennett government inherited a \$670 million backlog of repairs and maintenance, which has since been reduced to \$132 million. In its last budget in government it committed to spend \$1 billion on maintenance and new capital projects during that term — and came close to doing it.

Those were just some of the achievements of the Kennett government that had nothing to do with economics and everything to do with social justice and support for the community. Many of the aspects of what the coalition did in government were controversial at the time and criticised by the Labor Party. The former government's actions were reformist, and some honourable members would probably say even courageous, but generally they worked because the system could be improved.

In industrial relations, for example, the former Liberal–National coalition government gave all Victorians the right to maternity, paternity and adoption leave. Previously, under the award system, people had no access to those rights because the majority of Victorian awards did not mention maternity, paternity or adoption leave. There was no provision for such

leave because awards were totally inflexible. That is why I am totally against the award system. There is a need for flexibility in the workplace, not only for staff and employees but also to ensure that best practice is adhered to at all times. Another reason those rights were not provided for in awards was that the union movement was and still is predominantly dominated by males, and most male unionists would not have considered parental leave a great priority at the time. Following the last election many members of the union movement have come into Parliament.

In a public policy sense the granting of maternity, paternity and adoption leave was one example of the Kennett government's commitment to what was best for individuals and the community — one's neighbours, street, local school, town, playgroup — and for society as a whole. It is often said that it takes a whole village to raise a child. The Kennett government encouraged Victorians not only to take more responsibility for their own families but also to look out for their neighbours and friends and those in society who needed help.

The former government demonstrated a commitment to a stronger society as a whole. I come back to the reference in the Governor's speech to a desire to restore confidence in Victoria and reflect on what it was like during previous Labor years. I completed my higher school certificate in 1985. The Victorian certificate of education was introduced the year after I left secondary school and my five siblings went through the VCE program. It changed annually or biannually and had a terrible effect on the quality of education for a whole generation of Victorians.

During that time there was a great lack of confidence, not only in investment and employment but also among individuals and Victorian communities. It was embarrassing to be a Victorian and to see many factories closing down. It was personally tragic for those seeking work because the unemployment rate was 11.8 per cent. All of those 200 000 to 300 000 unemployed had families, dependants and others whom they were unable to care for. It had a terrible effect on society as a whole.

The Independents charter refers to open and accountable government. In the previous Parliament I was privileged to serve on the Scrutiny of Acts and Regulations Committee (SARC), which was appointed under the Parliamentary Committees Act. The committee was required to scrutinise all bills and regulations made in Victoria and had a Governor in Council reference to look at redundant legislation. I was

honoured to be selected chairman of the redundant legislation subcommittee.

SARC has not been re-formed by the Bracks minority government and there is no indication of whether that will happen or whether a similar committee will be appointed. The lack of a committee to scrutinise bills as they are introduced into Parliament contravenes the Parliamentary Committees Act. Although bills have been introduced into both houses there has been no opportunity for a joint committee to consider the merits of the bills against the terms of reference in the act, including delegation powers.

**Hon. B. W. Bishop** — That's not very accountable!

**Hon. M. T. LUCKINS** — No, it is not accountable at all. Section 85 provisions also have to be reported on.

Under the Parliamentary Committees Act, all legislation introduced into either chamber must be scrutinised and a report tabled in both houses prior to the debate. In the lower house, bills that have not been scrutinised are being debated today and tomorrow the government plans to debate legislation in this house. So much for open and accountable government.

The joint parliamentary committee was non-political and often found oversights. Its charter was to assess bills and ensure they did not contravene human rights, create a travesty of justice or put too much pressure or financial burden on any one sector of the community. The committee was required to conform to strict criteria. Oversights and drafting errors were often found in the legislation prior to the bills being debated in Parliament. As a result, adjustments and amendments were made and these were reported on just before the bills were to be debated in the other house.

The minority Labor government is in contravention of the act and must address the matter quickly. It is also defying the charter agreed to in order to form government — I need not remind anyone in the chamber that three Independents have given government to the Labor Party although the Liberal Party holds more seats. The Liberal Party accepts that it is in opposition and will be vigorous.

Another aspect of the work of the Scrutiny of Acts and Regulations Committee is that it must ensure that all regulations and subordinate legislation are allowed or disallowed within 18 sitting days of the reconvening of Parliament to ensure the measure is correct, the Treasurer's limit on fee increases is adhered to, and the regulation conforms to other aspects of the regulations. Parliament is now in its third week of sitting.

I am not concerned about the current regulations because they belong to the previous government and I have faith they were properly developed and correctly drafted. However, the clock is ticking, and if subordinate legislation and bills are not being scrutinised, God help the government if something goes wrong!

It is odd that democracy in Parliament is being enhanced in the reform of Parliament by reducing the time for members' speeches from 30 minutes to 20 minutes in the Legislative Assembly. Many of us were subjected to the family-friendly-hours debate when the new government was in opposition. It is ludicrous that the lower house now starts at 9.30 a.m. instead of 10.00 a.m., guaranteeing that no parent of a school-age child can take the child to school in the morning before coming to Parliament.

Parliament is still finishing at 10.00 p.m. and often later. I wondered about the merits of the proposal by Lynne Kosky — now a minister in the Bracks government — for the Legislative Assembly to rise at 8.00 p.m. or 9.00 p.m. in time to allow members to go home to see their families. My children are in bed by 7.30 p.m. All that seems to have gone out the window with the Labor Party now in government. What else in the charter will not be adhered to? What other aspects of democracy in Parliament that the former opposition used to bleat about will the new government throw out the window?

**An honourable member** interjected.

**Hon. M. T. LUCKINS** — No, they never practise what they preach.

Members of the Labor government use the term 'restoring decency'. I refuse to accept that the previous government of which I was proud to be part was anything other than decent. I am proud of the achievements of the Kennett government, as I am proud to have the opportunity to represent my party and the people of Waverley Province in this Parliament.

The Kennett government made fundamental positive changes to the lives of Victorians. It contributed to a stable, confident and secure community that looked after the needs of society as a whole in a public policy sense. Thanks to the Kennett government, today Victoria has a stronger society and economy.

As I said earlier, I am disappointed at the lack of vision in His Excellency's speech. It is clear to all in this chamber that Leigh Hubbard, the secretary of the Victorian Trades Hall Council, was correct when he said, as was reported in this morning's paper, that the

government has on L-plates. The opposition could have filled him in on that. I hope the new government settles down quickly and learns about the parliamentary process and the running of departments. I hope it maintains the economic and social health of the state, which is the legacy of the Kennett government. I would be concerned about the future of Victorians, my constituents and my children were the minority Labor government to make the same mistakes the previous Cain–Kirner governments made.

Many members of the government carry the baggage of those days and contributed, if even in a small way, to the mismanagement and incompetence of the former Labor governments. Indeed, Mr Jennings admitted that the Cain–Kirner governments made mistakes. I hope the government does the best it can and does not engage in political point scoring. I remind it that the opposition in both this place and the lower house will be watching to ensure it delivers on its promises, particularly those contained in the Independents charter, and provides open and democratic government during the next four years.

**Debate adjourned on motion of Hon. G. B. ASHMAN (Koonung).**

**Debate adjourned until next day.**

## ADJOURNMENT

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

That the house do now adjourn.

### **Sunraysia: gas supply**

**Hon. B. W. BISHOP (North Western)** — I refer the Minister for Energy and Resources to the fact that natural gas will soon be switched on in Mildura, Red Cliffs, Merbein and Irymple in Sunraysia. I am sure the minister will agree that having natural gas will be a tremendous advantage to those areas and will be aware the program was initiated by local government and the former Kennett government.

Natural gas is piped from South Australia by Boral Energy, with Envestra and Boral Energy Asset Management being the lead companies laying the pipelines and having responsibility for supplying gas in those areas. The companies have invested more than \$30 million in the project, and I can say from personal observation that the pipelaying has been professional and non-intrusive. The companies are experienced gas industry participants that have worked with the South

Australia Gas Company to supply gas to South Australia safely, reliably and cost effectively since 1861.

As happened in Victoria, South Australia has adopted a conservative approach to unflued appliances, such as room heaters, which have been allowed for 15 years if rigidly fixed. In Victoria an anomaly exist whereby unflued LPG appliances are permitted but similar natural gas systems are not. I understand the anomaly is under review and some leniency has been allowed during conversion to natural gas in Hamilton and other areas. Given that the area has many unflued LPG appliances, it would reduce costs for the wider community if those appliances were converted to natural gas.

Will the minister advise the house whether the anomaly will be removed and natural gas users in Mildura, Merbein, Irymple and Red Cliffs will be allowed the same flexibility as is afforded to LPG users in Victoria and natural gas users in South Australia?

### **Bellarine Peninsula: gas supply**

**Hon. E. C. CARBINES (Geelong)** — I refer the Minister for Energy and Resources to recent comments made by Mr Cover concerning the Labor government's policy on gas flow to Clifton Springs. Will the minister inform the house of the status of the gas flow to the area?

### **Walwa Bush Nursing Hospital**

**Hon. W. R. BAXTER (North Eastern)** — I refer the Leader of the Government, as the representative of the Minister for Health in another place, to the current plight of the Walwa Bush Nursing Hospital, which has received some coverage in metropolitan and local media.

Honourable members may be aware that Walwa is a small town in the Upper Murray district of Victoria, quite remote from Albury–Wodonga and some 50 or 60 kilometres from Corryong, the nearest town. The district has been well served by the bush nursing hospital for nearly 60 years. The community maintains a sterling effort in raising money for the hospital, and only two weekends ago some 50 or 60 local people attended at a vineyard and gave a day's labour to raise several thousand dollars for the hospital.

The bush nursing hospital relies on privately insured patients, and all honourable members know that because of the financial stress suffered by many people in country Victoria the incidence of private health insurance has declined. On top of that there has been an

outbreak of robust good health in the Upper Murray in the past six months and the hospital has suffered a temporary decline in occupancy rates, which has put its financial circumstances under stress. Prior to the recent election the then government was considering assisting the hospital at a cost of \$170 000 per annum by connecting it to the multipurpose centre in Corryong for the provision of accident and emergency services, which would have given it sufficient critical mass to ride out temporary crises, to ensure the retention of the doctors in the town and the maintenance of 22 part-time jobs.

The Minister for Health visited Wodonga last week, met with the board of management and was generous enough to give the hospital \$20 000 to tide it over for a day or so. I ask the Leader of the Government to impose on her colleague to make sure the undertaking he gave to have his department look at ways of assisting the hospital to survive is given the highest priority. The good citizens of Walwa and the surrounding district are under great stress as they wonder about the future of the hospital. The situation is serious and I would like them to be relieved of that stress as soon as possible.

### Yering Primary School

**Hon. G. R. CRAIGE** (Central Highlands) — I refer to the Minister for Energy and Resources, as the representative of the Minister for Transport in another place, concerns regarding speed limits at Yering Primary School, which is located on the top of a crest on the Melba Highway. During school hours the Melba Highway carries significant traffic, particularly heavy vehicle traffic. Concerns have been raised about the current speed limits in the vicinity of the school.

Most honourable members who are parents will be aware of the difficulties experienced in dropping children off and picking them up outside schools situated on major roads. Yering Primary School is situated on a major highway, yet there is very little room in the school grounds for parents to drop their children off and pick them up. They therefore have to park on a crest on the side of the road.

What makes the situation even worse is that the children are usually dropped off opposite the school and consequently have to cross the road. That is causing a great deal of concern as the speed limit in the area is 100 kilometres per hour.

I am aware that Vicroads has variable speed signs which, because they are operated by solar power discs, show lower speed limits during school hours. It would

be advantageous to the children, the parents and the school community if variable signs were placed in the vicinity of Yering Primary School, so that outside school hours the speed limit remains at 100 kilometres per hour but when children are being dropped off and collected by car the speed limit is reduced to 60 kilometres per hour.

The government should act on the situation at Yering Primary School before a fatality or some other tragedy occurs. I ask the Minister for Transport to immediately install a school speed sign in the area to reduce the speed limit to 60 kilometres per hour during school hours.

### Rail: Hughesdale station

**Hon. ANDREW BRIDESON** (Waverley) — I ask the Minister for Small Business to draw to the attention of the Minister for Housing or the Minister for Transport in the other place the state of a fence immediately south of the Hughesdale railway station. The fence, which adjoins the rail corridor and the housing ministry properties that face on to Arthur Street, has been badly vandalised. It is a long fence, extending over 200 or 300 metres and comprising more than 50 concrete panels with crisscross mesh and insulation in between. Concrete panels have been ripped off and thrown onto the railway line or strewn around the pedestrian pathway. The sound insulation is hanging off the fence, so aesthetically it looks bad.

I am not sure which department is responsible for the side of the fence that faces the railway line, but I ask either the Minister for Housing or the Minister for Transport to ensure that repairs are undertaken immediately. The fence poses a threat to the safety of the pedestrians who use the pathway and the residents of the housing ministry properties, and I ask that immediate action be taken to repair it.

### Police: station upgrades

**Hon. A. P. OLEXANDER** (Silvan) — I ask the Minister for Sport and Recreation to refer to the Minister for Police and Emergency Services in another place the policing policy announced by the Australian Labor Party during the election campaign, which among other things included the building of new or replacement police stations. The policy states:

Labor, in accordance with the Victoria Police strategic facilities plan, will upgrade or replace 15 police stations.

Labor will provide new stations or replacement police stations (including some 24-hour facilities) at Bacchus Marsh, Bellarine Peninsula, Belgrave, Croydon, Diamond Creek, Eltham, Endeavour Hills, Gisborne, Kilmore —

and the list goes on.

On the upgrading of police stations, Labor's policy states:

Labor recognises that some stations should be staffed for longer hours where there is an increase in the level of crime.

The policy goes on to specifically point out that:

In the nine months to March of this year violent crime reported at Mount Evelyn police station had increased by 495 per cent while property damage, residential burglaries and car theft all recorded increases over the same period at the Olinda police station ...

That is in my electorate! The policy also states:

Labor's pledge for 800 extra police officers will mean that Mount Evelyn and Olinda police stations will be able to be staffed for 16 hours and 12 hours a day, respectively.

I ask the minister to clarify a statement made by a Labor spokesperson to one of my local newspapers. In the *Ranges Trader Mail* of 9 November the minister's spokesperson is quoted as saying about local police numbers:

It's a very high priority of this government to get police on the street. We know this is a strong concern in the Dandenong Ranges.

The minister's spokesperson is right — it is a strong concern! In the article the spokesperson confirmed that the government was committed to upgrading Belgrave police station to a 24-hour service and to ensuring that the Mount Evelyn police station opened for 16 hours a day and the Olinda police station for 12 hours a day. However, in the same article the minister's adviser emphasised that decisions about the manning of and the placement of resources in new stations would be taken by police command, not by the minister or the minister's office.

I ask the minister to clarify the situation regarding decisions on the manning of and resources for Victorian police stations. In its statewide policy the Labor Party gave a clear commitment to the people in the Dandenong Ranges. I ask the minister how many extra police will be required in each station to meet the hours-of-operation commitments the ALP made for the Mount Evelyn, Olinda and Belgrave police stations and when work will commence on the proposed replacement of the 24-hour police station at Belgrave.

**Hon. M. M. Gould** — On a point of order, Mr President, the honourable member would be aware — the point has already been raised in this session of Parliament — that on the adjournment debate

honourable members are entitled to raise one issue only, not three or four.

**Hon. K. M. Smith** — On the point of order, Mr President, the issues Mr Olexander is raising are all to do with the one question relating to the commitments on police stations.

**The PRESIDENT** — Order! The general issue the honourable member is raising is policing in his province. However, the question has developed into a series of subquestions. The honourable member has put enough subquestions to the minister to give the flavour of his request, so he does not need to put any more. One matter only should be raised, so there should be only one question.

### Swimming pools: fencing

**Hon. N. B. LUCAS** (Eumemmerring) — I ask the Minister for Energy and Resources to refer to the Minister for Local Government in another place the fencing of pools in general and the safety of backyard swimming pools in particular.

I noticed in an article in last week's *Age* a comment that almost half Victoria's backyard swimming pools remain unfenced. I recall that during the debate on legislation requiring the fencing of backyard swimming pools the then government agreed that the issue would be pursued over time because it was inappropriate to expect people to install fences around their pools at 5 minutes notice. Owners were therefore given time to do something about it. The article noted that 40 per cent of pools still do not comply with the safety standards and that each year eight toddlers drown in backyard swimming pools, spas and wading pools.

The effort needs to be ongoing. I raise the issue in the hope that the new government will continue to pursue it. The question I specifically ask relates to the comment by the Municipal Association of Victoria that it believes the process for checking on pool safety at the local government level is adequate. That may not be the case. Having regard to the article in the *Age* of 7 November, which includes a picture of a swimming pool without a fence, it is quite obvious that people have still not taken the issue as seriously as they should.

I ask the minister to take up the matter with the minister in the other place and let me and my constituents know what action the government intends to take so that local councils or the government ensure that fencing is installed around all backyard swimming pools.

### Mobile phones: radiation

**Hon. K. M. SMITH** (South Eastern) — I raise with the Minister for Consumer Affairs an issue that is close to us all — the use of mobile telephones. I am sure most honourable members have one and use it regularly. There is concern in the community about radiation from the antennas of mobile phones. The minister seems to be aware of the situation, and I ask her whether any action will be taken to investigate the possible dangers of mobile telephone use. I would like the minister to explain to the house what action the government will take to ensure the safety of Victorians, particularly politicians.

### Mordialloc Primary School

**Hon. J. W. G. ROSS** (Higinbotham) — I raise with the Minister for Sport and Recreation, representing the Minister for Education in another place, an issue that was referred to in a document entitled Carrum Independent Election 99 circulated by Jenny Lindell. An article headed ‘New Primary School at Aspendale Gardens’ states:

Building a primary school at Aspendale Gardens is a key pledge of the Victorian Labor Party, candidate for the state seat of Carrum Jenny Lindell announced this week.

There is a photograph of Jenny Lindell and Mary Delahunty at the Aspendale Gardens school site.

Carrum is an electorate that neighbours my province. An article in the Chelsea *Independent* is headed ‘New School Pressure on Lindell Now’. The community is responding. My concern is that a number of pupils from the Mordialloc Primary School are drawn from that area, and during its period in office the Kennett government contributed more than \$300 000 to the school for major maintenance — in excess of \$146 000 on one occasion and \$100 000 on another, a massive commitment.

I ask the minister when the school across the border from my electorate will commence and whether I can have an assurance that it will not have a detrimental effect on the Mordialloc Primary School.

### Workcover: redemption application

**Hon. P. R. HALL** (Gippsland) — I raise with the Minister assisting the Minister for Workcover a matter involving a constituent of mine who has a Workcover problem. In line with advice previously given to the house I do not wish to mention the name of my constituent. I am happy to hand on to the minister at a later stage the name and Workcover number.

My constituent was employed by the Victoria Police and some 10 years ago suffered a major back injury as a result of a workplace incident. The injury required extensive surgery over that period. My constituent is classified as seriously injured and has been so classified since the time of his accident. To his great credit he is not prepared to sit back and let the injury get the better of him. He has paid for various courses as part of his rehabilitation process, and recently he purchased a travel agency business. Obviously his injury allows him to operate that business, and that is why he chose it.

To assist in the purchase of the business my constituent sought a redemption payment under section 115 of the act. The application for redemption was lodged in July this year, but it has still not reached the Workcover board for assessment. There is a suggestion that the insurer has delayed finalisation of the application, and certainly there is a history of the insurer contesting many of the claims made throughout the time my constituent has received benefits. Many matters have gone to conciliation at the former Administrative Appeals Tribunal and various other jurisdictions.

My constituent is doing the right thing. He is trying to make a life for himself independent of the receipt of weekly Workcover benefits. I ask that the Minister for Workcover make himself aware of the case and do all within his power to facilitate a prompt consideration of the redemption application.

### Petrol prices

**Hon. E. G. STONEY** (Central Highlands) — I refer the Minister for Consumer Affairs to her answer on petrol pricing today during question time when she confirmed that the government is not considering legislation to assist with petrol prices, especially in country areas. During the day there have been reports on the radio, even as late as 5 o’clock this evening, stating that the minister is asking the public to do in errant petrol stations that are perceived not to be doing the right thing.

I point out that the Australian Automobile Association and the Royal Automobile Club of Victoria are already monitoring petrol prices in a professional way across Australia, especially in country Victoria, so it appears that the government is not planning anything new. It seems that the minister is raising the issue to make herself look good and pretend she cares about the country. I ask her what new and constructive action she is planning or whether she is just raising the issue in a populist way to mislead people into thinking she can do something when she really intends to do no more than talk about it and make herself look good.

### Essential services ombudsman

**Hon. ANDREA COOTE** (Monash) — I direct a matter to the attention of the Minister for Energy and Resources. Under the heading 'Labor's Vision for Energy' the Labor Party's policy documentation states that an independent essential services ombudsman will be established to handle customer complaints and make rulings related to compensation. Will the minister explain to the house whether the ombudsman will be established before Christmas, and if so, what form the consultation process will take?

### Colosseum Hotel site

**Hon. BILL FORWOOD** (Templestowe) — I raise a matter with the Minister assisting the Minister for Planning, fully expecting him to flick it to the other house. The Banyule Community Health Centre, situated in West Heidelberg, provides a terrific service to the people of the area. It is proposed that it be moved to the site of the old Colosseum Hotel. On 15 July the Government Whip in the other place wrote to the then Premier calling on the state government to compulsorily acquire the old Colosseum Hotel site to assist the local community to keep the valuable community centre in West Heidelberg. The former Premier wrote back a skilfully worded letter stating:

Your request is completely consistent with the ALP's longstanding practice of raiding the public purse in vain attempts to solve every problem. This is precisely the behaviour which brought Victoria to its knees under the last Labor government.

He then went on to say that it was not the policy of the then government to compulsorily acquire the site. Now that Labor is in government, will it fulfil the Government Whip's request to compulsory acquire the hotel site?

### Industrial relations: public sector

**Hon. M. A. BIRRELL** (East Yarra) — I refer the Minister for Industrial Relations to the Community and Public Sector Union case that is currently being considered by the Australian Industrial Relations Commission and in particular to the government's handling of the matter. I understand the government has decided to remove the solicitors, Minter Ellison, who are handling the case for the state and also to remove Queen's Counsel, Mr Ian Douglas. Will the minister indicate why the government chose to remove the solicitors and Queens Council midway through the case, and whether as a result instructions to their replacement have been altered?

### Ashburton Primary School

**Hon. D. McL. DAVIS** (East Yarra) — I ask the Minister for Sport and Recreation to direct to the attention of the Minister for Education in another place a matter concerning the Ashburton Primary School. This week the school received its global budget and a number of members of the community have expressed concern that the allocation of 0.6 staff funding will not meet the Labor Party's promises and policies given at the last election to cap school class sizes. There is no clear link between the money given as part of the school's global budget and the promise to lower class sizes and cap the present class size level.

This matter was brought to my attention by the Liberal Party candidate in Burwood, Lana McLean, who spent a good deal of time talking to the school community earlier this week. Parents are concerned that it may be yet another Labor broken promise. It is unclear whether this small amount of money can in any way meet that required to cap class sizes, as was promised.

### Housing: Long Gully estate

**Hon. R. A. BEST** (North Western) — I ask the Minister for Small Business to direct the attention of the Minister for Housing in another place to the redevelopment of the Long Gully housing estate.

I had the pleasure of chairing a committee that examined the feasibility study report into the redevelopment of the Long Gully housing estate on behalf of the Office of Housing in the Department of Human Services. The report was finalised earlier this year and the former government provided some \$6 million to address the report's recommendations. The government was about to go to the master planning stage when the election was called. It was intended that the master plan would be completed before the end of the year. As yet there has been no indication from the minister whether the plan is to be implemented and whether the upgrade is to proceed.

It did not concern just the physical stock within the estate; it was aimed at solving a whole range of social problems, particularly drugs, crime and children's behaviour. The recommendations provided to the minister had a large social component. A number of people are concerned because the minority Labor government has not commented. They are unsure of the status of the project. Will it proceed or is the government reconsidering its position on the redevelopment of the Long Gully area?

## Gippsland Lakes

**Hon. PHILIP DAVIS** (Gippsland) — I direct the attention of the Minister for Energy and Resources to fish stocks in the Gippsland Lakes. It is well understood that the Gippsland Lakes are one of the most significant fisheries in Victoria, not only for recreational fishing but also for commercial fishing. They add to the economic value of the state, and in particular to the East Gippsland region.

A significant decline in fish stocks has occurred, especially in black bream. The economic welfare of the region is threatened because of the relationship between tourism and fisheries. During the review of bays and inlet fisheries the Fisheries Co-Management Council consultants identified that the most significant influences in the decline of fish stocks were water quality and habitat. In 1998 the Gippsland Coastal Board commissioned the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to undertake a Gippsland Lakes environmental audit. A key recommendation was the suggestion to develop an aquatic ecosystem model for the Gippsland Lakes. In part, the report says:

A three-dimensional hydrodynamic model of the lakes needs to be constructed to examine in more detail the precise interactions of freshwater and marine inflows, tidal mixing and entrance dynamics, and saltwater/freshwater balances. The hydrodynamic model could be integrated with an ecological model to provide a synthesis of scientific understanding of the ecosystem.

The integrated model would be used to predict the impacts of management decisions regarding the lakes, through modelling various nutrient load scenarios. The scenarios may be related to flow control, catchment practices, farm management, urban development, sewerage systems and the control of boating and fishing activities.

The cost of the model will be significant. It is estimated to be in excess of \$600 000. The CSIRO has committed direct and in-kind support of \$200 000. The Gippsland Coastal Board has committed \$100 000. Further various instrumentalities that have a stake in the integrated catchment management of the Gippsland Lakes, including Gippsland Water, Southern Rural Water, the East Gippsland Catchment Management Authority, the West Gippsland Catchment Management Authority and the Statewide Nutrient Management Committee, have also made commitments. There is a shortfall of \$200 000 in achieving funding for the project. Will the minister support the project, which is of great importance to fish stocks in the Gippsland Lakes?

## Responses

**Hon. M. M. GOULD** (Minister for Industrial Relations) — The Honourable Bill Baxter raised a matter for the attention of the Minister for Health in the other place about the Walwa Bush Nursing Hospital. The minister was there last week. I will pass the matter on to him.

The Honourable Peter Hall referred to Workcover and a constituent with injuries received some years ago. He has given me the name and address and the Workcover claim. I shall raise the matter with the Minister for Workcover.

The Leader of the Opposition referred to a Community and Public Sector Union case. I presume it is the MX case before the Australian Industrial Relations Commission, because the CPSU has more than one case. With regard to the government changing the solicitors handling the case, as reported in the *Australian Financial Review* some weeks ago the government has changed solicitors. It used the panel tendering process the previous government had in place regarding solicitors. As a result, Corrs Chambers Wesgarth have been appointed on behalf of the government.

**Hon. C. C. BROAD** (Minister for Energy and Resources) — The Honourable Barry Bishop referred to gas connections to a number of localities, including Mildura, and the conversion of appliances from liquefied petroleum gas to natural gas. The matter has not previously been raised with me and I will be very pleased to look into it and advise the honourable member further.

The Honourable Elaine Carbin asked about the connection of gas to Clifton Springs. Following the first of what I expect will be many community cabinet meetings by the Bracks government I was pleased to meet recently in Geelong with representatives of the Bellarine gas committee, representatives of the City of Greater Geelong and a member for Geelong Province. At that meeting I was pleased to clarify a number of matters, including the connection of gas to Clifton Springs. Some confusion had arisen about which towns were to be connected. The confusion resulted from statements the Honourable Ian Cover made in the house when he referred to the connection of Portarlington, Indented Heads and Clifton Springs and neglected to refer to the town of St Leonards. The towns that are being connected are in fact St Leonards, Portarlington and Indented Heads. The town of Clifton Springs was connected to gas under the last Labor government and has had gas connected for some time.

The Honourable Geoff Craige raised for the attention of the Minister for Transport in another place a very important matter concerning speed limits in the vicinity of Yering Primary School, which he advised are 100 kilometres per hour. He asked that a variable speed limit be set for the safety of students, parents and staff. I will be pleased to refer the matter to the Minister for Transport for a response.

The Honourable Neil Lucas referred the attention of the Minister for Local Government in another place to a comment by the Municipal Association of Victoria that enforcement of pool fencing is inadequate. He referred to a number of recent drownings and asked that the government take action. I will refer the matter to the minister for a response.

The Honourable Andrea Coote asked when the Labor government will implement its policy to establish an essential services ombudsman and whether consultation will take place. In accordance with Labor's strong commitment on the implementation of election policies, consultation has already commenced with the key stakeholders, including the Office of the Regulator-General, and more will follow. I appreciate that many people are anxious for the government to get on with the job of implementing its policies before Christmas, if possible, which it is certainly endeavouring to do. That may be just a little soon to get the position established, but the government will make every effort to do so.

The Honourable Philip Davis asked a very detailed question about fish stocks in the Gippsland Lakes and the many issues involved in ecological modelling of the lakes. I will not endeavour to summarise the details, but the bottom line was whether the government would consider meeting a shortfall of \$200 000 to assist with the cost of the very complicated modelling. I will be happy to look at the issue and respond to the shadow minister.

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — The Honourable Andrew Brideson referred the attention of the Minister for Health in another place to the fence at the Hughesdale railway station between the rail corridor and the Ministry of Housing property. It sounds as though the matter needs some attention. I will refer it to the appropriate minister.

The Honourable Ken Smith asked about radiation from mobile telephones — something that would be of concern to everyone in this chamber and to a number of people outside. The issue has not just been raised with me; it has implications beyond the spheres of consumer affairs and health and requires government attention at

both state and federal levels. It is therefore a national issue.

The Honourable Graeme Stoney asked about petrol pricing. The government is interested in raising consumer awareness about consumer rights and will vigorously pursue the matter.

The Honourable Ron Best referred to the status of the Long Gully housing estate. I will refer the matter to the Minister for Housing.

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — The Honourable Andrew Olexander asked a lengthy question about the upgrade and replacement of a number of police stations and about manning and resources decisions. I will refer the matter to the Minister for Police and Emergency Services in the other place.

The Honourable John Ross raised concerns about the potential establishment of a primary school at Apsendale Gardens and the impact on the Mordialloc Primary School. I will refer the matter to the Minister for Education in the other place.

The Honourable Bill Forwood asked about the status of the Banyule community centre and the Colosseum Hotel site. I will refer the matter to the Minister for Planning in the other house.

The Honourable David Davis referred to the Ashburton Primary School, staff allocations and the global budget. I will refer it to the Minister for Education in the other place.

**Motion agreed to.**

**House adjourned 6.18 p.m.**

## 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.**

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