

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

22 November 2000

(extract from Book 7)

Internet: www.parliament.vic.gov.au/downloadhansard

By authority of the Victorian Government Printer

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Wednesday, 22 November 2000

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.04 a.m. and read the prayer.

PETITIONS

Schools: Life Education vans

Hon. G. R. CRAIGE (Central Highlands) presented a petition from certain citizens of Victoria praying that the government immediately commits funding for the continuation of Life Education vans throughout schools in Victoria (235 signatures).

Laid on table.

Buses: Dandenong Ranges

Hon. A. P. OLEXANDER (Silvan) presented a petition from certain citizens of Victoria praying that the government give urgent consideration to the proposals submitted to the Department of Infrastructure for the further development of bus services in the Dandenong area (160 signatures).

The PRESIDENT — Order! Mr Olexander said Dandenong Ranges; this says Dandenong area.

Hon. A. P. Olexander — That was a typographical error. It is actually the Dandenong Ranges area.

Laid on table.

PAPERS

Laid on table by Clerk:

Auditor-General — Report on Grants to non-government organisations: *Improving accountability*, November 2000.

Barwon Health — Report, 1999–2000.

Casterton Memorial Hospital — Minister for Health's report of 20 November 2000 of receipt of the 1999–2000 report.

Colac Community Health Services — Report, 1999–2000.

Coleraine and District Hospital — Minister for Health's report of 20 November 2000 of receipt of the 1999–2000 report.

Freedom of Information Act 1982 — Report of the Attorney-General on the operation of the Act, 1999–2000.

Hesse Rural Health Service — Report, 1999–2000.

Heywood and District Memorial Hospital — Report, 1999–2000.

Infrastructure Department — Report, 1999–2000 (*in lieu of that tabled on 1 November 2000*).

Lorne Community Hospital — Report, 1999–2000.

Moyne Health Services — Report, 1999–2000.

Otway Health and Community Service — Minister for Health's report of 20 November 2000 of receipt of the 1999–2000 report.

Portland and District Hospital — Report, 1999–2000.

South West Healthcare — Report, 1999–2000.

Timboon and District Health Care Service — Minister for Health's report of 20 November 2000 of receipt of the 1999–2000 report.

VicFleet Pty Ltd — Report, 1999–2000.

Western District Health Service — Report, 1999–2000.

Hon. Bill Forwood — On a point of order, Mr President, I note from the list of papers that the Clerk has just read that the annual report for the Department of Infrastructure has been replaced. It is a rare occurrence to find that an annual report tabled in this Parliament is subsequently withdrawn and replaced with another.

I wonder if the minister in this chamber most closely associated with the Department of Infrastructure, the Minister for Ports, would care to explain to the house the differences between the first annual report now withdrawn and the one tabled today.

The PRESIDENT — Order! The matter was raised as a point of order. It is now really a by-leave matter, and how the minister responds is up to her.

Hon. C. C. Broad — I ask for leave.

Hon. Bill Forwood — Yes, absolutely.

The PRESIDENT — Order! The matter was raised as a point of order, but in the sense that it is a query to the house, I will leave it to the minister to decide how she will respond.

Hon. C. C. BROAD (Minister for Ports) (By leave) — In response, Mr President, I do not have the details to hand, but they can of course be supplied. My recollection is that there are, I think, about three minor corrections to the report, and the view was that it was important to correct those matters. That is why the report is being replaced with the correct information. I do not have the details of the corrections, but we can supply them.

The PRESIDENT — Order! I inform the house that the Clerk of the Legislative Council has received a letter signed by the Honourables Peter Batchelor, John

Thwaites, Candy Broad and Bob Cameron saying in part:

In accordance with the Financial Management Act 1994, we enclose a substituted Annual Report of the Department of Infrastructure for the year ended 30 June 2000. We would be pleased if you would make the necessary arrangements to have the substituted annual report presented to the Legislative Council by 22 November 2000.

The Department of Infrastructure's annual report was tabled on 1 November 2000. However, as a result of a small number of minor changes to the annual report previously tabled, parliamentary procedures require that a substituted annual report be retabled.

It should be noted there were no changes to the audited financial statements.

As I said, the letter is signed by the four ministers.

Ordered that report of Department of Infrastructure for 1999–2000 tabled on 1 November and report tabled in lieu thereof on 22 November 2000 be taken into consideration next day on motion of Hon. BILL FORWOOD (Templestowe).

Hon. BILL FORWOOD (Templestowe) — I also move:

That notices of motion general business 1 and 2 be postponed until the next day of meeting.

An Honourable Member — Why?

Hon. BILL FORWOOD — So I can have a go.

The PRESIDENT — Order! Given that the first motion is in the name of Mr Hall, I think it would be better if he moved to postpone it.

Honourable members interjecting.

Hon. P. R. HALL (Gippsland) — That is why I jumped to my feet previously, Mr President, but you did not recognise me. I move:

That notice of motion 1 standing in my name be deferred until later this day.

Motion agreed to.

Hon. R. A. BEST (North Western) — I move:

That notice of motion 2 standing in my name be deferred until later this day.

Motion agreed to.

SMALL BUSINESS: GOVERNMENT PERFORMANCE

Hon. BILL FORWOOD (Templestowe) — Now that notices of motions 1 and 2 have been postponed until later this day — —

Hon. R. M. Hallam — Graciously.

Hon. BILL FORWOOD — Yes, graciously, it is my pleasure to move:

That this house condemns the government for its failure to foster the type of economic and industrial relations environment in Victoria in which small businesses throughout the state can flourish.

Hon. N. B. Lucas — Read the *Australian Financial Review*!

Hon. BILL FORWOOD — Thank you, Mr Lucas. It is a matter of serendipity or timing, I suppose — —

Honourable members interjecting.

Hon. BILL FORWOOD — Settle down. It is a matter of serendipity that the front page of today's *Australian Financial Review* contains an article headed 'Back to basics: business berates Bracks'. The article continues on pages 40 and 41 as a double-page feature with the same heading. The article goes to the heart of the motion that the opposition brings before the house today — that is, what sort of economic and industrial relations environment exists in Victoria, will exist in Victoria and will be maintained in Victoria in the future?

I will begin my contribution this morning with a couple of quotes from this article. It states:

After a short period of cautious affection, disenchantment, disillusionment and anger are taking over as the sentiments espoused by big and small Victorian businesses towards Bracks and his ministry of novices.

The article goes on to detail some of the reasons for this change. There are two other — —

Honourable members interjecting.

The PRESIDENT — Order! I know the honourable member is not going to read the whole article.

Honourable members interjecting.

The PRESIDENT — Order! However, he is entitled to develop his argument without a constant barrage of interjection from both sides of the house. I ask the house to settle down and allow the Deputy Leader of the Opposition to have his say.

Hon. BILL FORWOOD — I have no intention of reading the whole of this article. However, I encourage honourable members on both sides of the chamber to read what Ivor Ries has written because it goes to the essence of the motion before the house today.

I will read two small quotes from the article. The first is from Neil Coulson, the group general manager of policy and strategy with the Victorian Employers Chamber of Commerce and Industry. He states:

The mood of our members is one of confusion, concern and, I think, growing frustration and anger.

That is scarcely the type of economic or industrial relations environment in which small businesses throughout the state could flourish. On page 41 there is another telling quote about industrial relations. It states:

This is going to pull in a whole raft of people who have always operated outside of the IR system.

Again, this is scarcely the sort of industrial relations or economic environment in which small businesses throughout the state can flourish.

Let me begin my contribution by referring the Minister for Small Business to a visit she made to the Eltham Chamber of Commerce and Industry on 11 August. Honourable members who are great students of the pecuniary interest register would know that this is an organisation of which I am a member.

Hon. M. R. Thomson — You weren't there.

Hon. BILL FORWOOD — I would have liked to have been there, but I was not able to be due to a prior engagement. However, I have a copy of the minutes of that meeting. I am sure the minister has seen them. The minutes make a number of points. The first is that an apology was made for the minister because she was running late and they got Jenny Macklin to say a few words. It says that subsequently the minister arrived and a special welcome was made. She apologised for being late but her driver got lost. I think it is very difficult to get lost going to Eltham. It is even more difficult if one is going to the Returned and Services League in the main road of Eltham.

Honourable members interjecting.

Hon. BILL FORWOOD — Once the minister arrived and began her contribution the minutes quote her as having said:

Government needs to get the environment right for small business to flourish.

In essence, what the minister said to the Eltham Chamber of Commerce and Industry is what this motion is about. It is about getting the right type of economic and industrial relations environment in which small businesses throughout the state can flourish. That is not the only occasion on which that sentiment has been expressed by this minister. I refer honourable members to the 'Showcasing small business' insert in a recent Melbourne newspaper, which states:

We understand that what fundamentally drives small business success is a strong economic climate.

Again, these are the words of the minister. One further example of this comes from the 'Showcasing small business' document itself where again the minister was quoted as saying, 'What fundamentally drives business success is a strong economic climate'.

The minister knows the rhetoric. She says the words. She says that what drives small business success is a strong economic climate. She is talking about the environment. However, she will not accept her failure to foster that environment herself. She is happy to say the words to the chamber of commerce, she is happy to put them in the newspaper and the showcasing document, but she is not happy to do anything about them. What is absolutely telling when one goes to the minister's introduction to the 'Showcasing small business' document is this quote:

... The overall climate is subject to both national and international impacts and small business is the first to feel the impacts.

I have no problem with that, but what word is missing? State! The minister is happy to acknowledge that the climate is subjected to national and international impacts but is not happy to admit it is subject to state impacts and the sorts of things state governments are able to influence.

In my contribution this morning I will demonstrate that, just as the *Australian Financial Review* has published in its article today, the government, particularly the Minister for Small Business, has in no way, shape or form addressed the issues under the state's control that can help to foster the type of economic and industrial relations environment in which small business throughout not only metropolitan Melbourne but also rural and regional Victoria can flourish.

Why does the minister's showcasing document not once mention the words 'industrial relations'? That is among the key issues — I will touch on others — crucial to a flourishing small business sector, which the minister should be proud to represent. Not once in the 'Showcasing small business' document does the

minister address the issue of industrial relations. It is easy to speculate and arrive at the reason — that is, because she is pro-unions.

The opposition knows the minister is a factional heavy and that she has recently been appointed to the federal executive of the ALP. When it comes to looking after mates the minister is without peer. The opposition knows that when it comes to a choice between looking after the interests of small business and putting her union mates first, every time the minister will come down on the side of the union movement.

What is the minister's approach to her portfolio? Earlier this year the minister decided to start a program of visiting small business — I think she called it the Listening to Small Business program. She started the program because of an apparent fall in business confidence that occurred soon after the government came to office. She knew she needed to put a spin on what was happening because business confidence fell the moment the government came to office.

The most recent Yellow Pages *Small Business Index* I have is dated August 2000. It refers to the small business outlook in Victoria and states:

Confidence up, but still low — the lowest of all mainland states.

Small business confidence in Victoria is far lower than it was under the former government. I also refer to the 21 August family business index from Pitcher Partners. The report carries the headline 'Family business "negative" on state Labor governments' and states:

There has been an alarmingly high disapproval rating of state Labor governments ... with three-quarters of businesses negative on state government policy.

The June quarter survey reveals overall confidence in family business is high ...

However, there is an overwhelmingly despondent assessment of the Bracks and Carr governments.

Seventy-three per cent of family businesses in Victoria have a negative expectation about economic policy.

The minister can say she believes small business needs a strong economic climate, she can visit and listen to people through her listening program, but the message she should be getting from surveys and today's *Australian Financial Review* is that the environment in which small business can flourish is missing in Victoria. Ian Stewart of Pitcher Partners states:

There is clear evidence of a divergence of attitudes between the business community and public opinion.

In Victoria the sharp escalation in Workcover premiums, regional closures and ongoing industrial strife are all impacting on family businesses.

That is the environment in which the minister started her program of visiting and listening to small businesses. I have no problem with her visiting small businesses, it is a good idea, but I would like her to act on some of the information she receives. 'Initiate' is a good word. It means she should listen and react to issues raised by small business. It is sad that the minister's measure of her activity is the number of visits she makes.

An article in the *Age* in April this year states:

... in the past six months as minister travelling around Victoria and outer Melbourne talking to more than 200 small businesses ... she too has developed a good understanding of these problems.

By April the minister had made 200 visits to small businesses. By the time she got to meet small business operators in Eumemmerring–Yarra Ranges on 3 July her press release states that she had met with more than 400 small businesses as part of her listening to small businesses.

Not all that much later the minister attended CPA Australia's monthly meeting. It is reported that by then the minister had visited more than 500 small businesses. A couple of weeks later, on 12 October, when she launched a small business package she said:

To date I have spoken directly to over 550 operators and listened to their aspirations, as well as their concerns.

On 18 October the minister was in Portland for another launch. Her media release of 18 October states:

Since coming to office I have met with almost 600 ...

Does that mean she had visited 50 small businesses that week?

... this vision reflects their concerns, dreams and ambitions.

I look forward to the weekly, monthly or quarterly updates on the number of businesses the minister visits. I will keep a tab on them. A measure of the capacity of a minister is the ability to influence the government's outcomes and the measure of a portfolio area does not come through counting meetings or publishing press releases or saying, 'I have met them here or there'. The measure of a minister's eventual influence is outcomes. When it comes to outcomes, the Minister for Small Business is missing in action.

I do not want to belabour the issue about the meetings. I have no desire to do it. I note that the day after the

minister claimed she had visited 600 small businesses she was reputedly in Hamilton launching Hamilton Working Together — at least that is what the press release states — but I suspect if the minister looks at her diary she will recognise that she did not quite get to Hamilton. I think the minister is confirming that despite the fact that she issued the press release she was not in Hamilton and that the launch was done by her departmental head, Neil Edwards. I have no problem about the minister going and meeting people — not at all. I think that is very sensible.

Hon. M. R. Thomson — You do not like hearing the good reports that small business is actually being looked after by this government.

Hon. BILL FORWOOD — I cannot let the minister's interjection go past. That is the most telling comment the minister can make because it just shows how out of touch she is with small business. If you think that is what is happening, Minister, I am very sad. It is appalling that the minister can think that.

I refer the house to newsagents. The minister met with the newsagents and these comments were reported in their 'Lottery agents association newsletter':

It is true to say that we were not greatly encouraged by the minister's response ...

That is a fair comment. Later in the article the point is made that the minister says she will not be there in seven years' time and there will be a different small business minister. Obviously her heart is not in the job anyway.

The minister claims that she listens and people tell her nice things. I refer to the minutes of the meeting of the Eltham Chamber of Commerce and Industry held on 11 September. Those minutes bluntly show that a member asked the minister if the government does care about small business as it is not holding costs and businesses need to feel confidence in the government for them to do well. Was the minister's response to that that she was listening to small businesses and acting on their concerns? No. She said that on the issue of Workcover she must defer to Bob Cameron, as he is the Workcover minister. Well, he might be the Minister for Workcover but you, Minister, are the Minister for Small Business and Workcover, as you know — —

Hon. M. R. Thomson interjected.

Hon. BILL FORWOOD — As you know, Minister, your responsibility is to represent the issues of small business.

Hon. M. R. Thomson — And I do, absolutely.

Hon. BILL FORWOOD — The minister says she does. If she does, where is the evidence? The minister claims to represent the small business community at the cabinet table on issues such as industrial relations, Workcover premiums and tax.

The Department of Natural Resources and Environment makes it very clear that it put its own submission to the tax inquiry. Appendix 3 of the government's review of state business taxes lists submissions received after 25 August. A submission was received by Mr Harvey's committee from the DNRE. That is on the Web. It does not say anywhere that the Minister for Small Business or the small business office put in a submission on state taxes. Where was the minister influencing at the cabinet table?

I refer the house to the 'Investing in Victoria' policy platform speech by Jock Rankin from the Property Council of Australia. He refers to the importance of tax cuts and he makes the point very bluntly. He also refers to a graphic which shows:

... the windfall tax on tax effects of the state government's conscious decision to impose stamp duty on GST inflated values of transactions. It starts out at \$130 million per annum in this financial year and inflates to \$160 million per annum by 2005.

That will impose additional taxes on small business. Those taxes are coming because of a deliberate Bracks government decision to add the GST to stamp duty. It is Jock Rankin who is saying this! He is making the point that the government promised a \$100 million tax cut next year and a \$100 million tax cut in 2003 — subject to its keeping the budget in balance and all the rest of it. The amount is \$200 million, not \$400 million. It is a lie that the government has been perpetrating that the tax cuts are \$400 million when in fact they are \$200 million. The point that Jock Rankin is making is that the taxes on small business throughout the state are going up — even just on the GST component of stamp duty — by more than \$100 million a year. Where was the minister? Did the minister put in a submission, like the Department of Natural Resources and Environment, to this committee? The minister was nowhere to be seen! That is absolutely damning.

I am well aware that the same thing applied to the Workcover inquiry. An article in the *Age* of 3 April refers to the minister's answers to critics. The following quote deals with the minister's response to a criticism about Workcover premiums:

Ms Thomson said cabinet is now considering the working party's report and that small businesses with good health and safety records will be looked after. She cannot say how.

We know the minister did not make a formal submission on behalf of small business. She said, 'Submissions are for people who do not have access to government. I will deal with the issue in cabinet'.

On the criterion of whether the minister has been successful in dealing with the issue in cabinet — I am talking distinctly about Workcover — does the minister believe she has been successful? Does she think as she goes around the state and listens to small business operators that they are saying they are happy with what is happening to Workcover? Do they say to the minister, as they say to me, that they are horrified at what is happening with Workcover? Do they say to the minister, as they say to me, 'My Workcover premium has increased by X and yet I have not had a claim'? Do they say to the minister, as they say to me, 'I was going to put on an extra employee but I won't now'? Is the minister aware that the overview on page 3 of the Auditor-General's report on the finances of Victoria states:

Although a clear audit opinion was provided on the financial statements for the year, the audit report drew attention to uncertainty regarding the valuation of the Victorian Workcover Authority's outstanding claims liabilities. This uncertainty arose as a result of greater than initially anticipated common-law claims being lodged with the authority ...

Is the minister aware of that? What is she doing to represent small business in those circumstances? Does the minister know that I visited a local government area recently? They said to me that just that very day they had received four hearing loss claims from the one law firm. Does the minister know what is happening out there? Is she representing the interests of small business on Workcover issues? Where is the commitment made in the minister's policy about Workcover premiums? It is nowhere to be seen.

If the minister comes in here and says, 'I am listening to small businesses; I visited 550 or 600 small businesses; I am listening to what they say and they like me', so what? The minister does not have any influence in fostering the type of environment operating in Victoria — we can talk about state tax, industrial relations, and the Shop, Distributive and Allied Employees Association (SDA) — but when it comes to Workcover, not at all!

In the restructure the minister claims she has ensured that the policy position of the small business unit has been mainstreamed into the major policy area of the

department. The intention behind that is that the minister has access to all policy input. She has lost control of small business policy. It does not sit in your area, does it?

Hon. M. R. Thomson interjected.

Hon. BILL FORWOOD — No. Thank you. It does not.

Hon. M. R. Thomson — I have absolute control.

Hon. BILL FORWOOD — The minister has absolute control!

An Opposition Member — Not as much control as her predecessor.

Hon. BILL FORWOOD — Not nearly as much control as her predecessor. It is not in her output group. It has been lumped into a general policy output group.

When Ms Smith and I met with the departmental head last Friday I said that the minister seems to be swamped by senior ministers. When it comes to influence in the Department of State and Regional Development, the Minister for Small Business is missing in action again — sidelined. The minister says, 'Don't worry about me. I will have my input at the cabinet table'. So she has her input at the cabinet table, but her input there has already been subsumed into the overall input from the department in a policy sense, and small business misses out absolutely.

The proof of that pudding can be found in industrial relations. In no way, shape or form has the minister addressed the issues of industrial relations for small business. The minister cannot say she talks to small businesses, most of whom are not unionists, and hears them welcome what is happening with the SDA. She cannot say they welcome the Fair Employment Bill, the debate on which was adjourned until March next year. It is just not true. The minister knows as well as I do that that sector of the economy is not unionised. She should talk to Tim Piper at the Australian Retailers Association Victoria and ask what his views are.

Yesterday when the government tried to have some amendments accepted by this house it quickly trotted out four business associations that were happy to agree. Ironically the government did not trot out the Australian Retailers Association, the Victorian Employers Chamber of Commerce and Industry or the Victorian Farmers Federation.

The minister leaves small business to fend for itself. I recently asked the minister a simple question on notice:

what support, if any, were small retail businesses given by the government in preparation for the SDA log of claims? One would expect the Minister for Small Business — the champion, the advocate, the travelling listener — would do something for them. Oh, no. The minister's mealy-mouthed response was:

The Victorian government, in accordance with its stated industrial relations policy, considers that it is purely a matter for the involved parties ...

She then states:

The state government's business channel, www.business.channel.vic.gov.au offers a number of referral options...

That is appalling! In the minister's small business showcase document, she — not me — makes the point:

However, small businesses often work in isolation, with the majority not possessing membership of major trade and industry associations.

Small business people are not joiners. They are being attacked by the union movement with the minister's connivance and assistance. She is nowhere to be seen and missing in action. This is another example of how the decision not to have a small business policy unit and to subsume it into one has left —

Hon. M. R. Thomson interjected.

Hon. BILL FORWOOD — The minister says she still has a policy unit. Yes, she has a policy unit, but it is part of a wider policy unit. It is not part of her output group. Its influence in the department is negligible. The proof of that pudding is in the decisions that are being made at the cabinet table — decisions on industrial relations, decisions on state tax and decisions on Workcover.

As part of her listening process the minister has tried to find another mechanism for balancing that advice just to try and give it some oomph. What did she do? She established the Small Business Advisory Council.

Hon. W. I. Smith interjected.

Hon. BILL FORWOOD — The interjection suggests another good question. What has the council done? A list of its members has been made available and the minister said, both in reply to me and in her 'Showcasing small business' policy that the intention was to establish a council of predominantly small business operators. The vast majority are therefore small business people rather than office-holders representing particular organisations. I do not know many of them. The minister will not tell us where they

come from. There is some sort of secrecy problem. I do not know why.

I asked a very straightforward question of the minister about its terms of references, guidelines and activities. The opposition wants to know what it does. What does the minister talk to the council about?

Hon. W. I. Smith interjected.

Hon. BILL FORWOOD — The question the Honourable Wendy Smith asked in the house yesterday got an all-time great response. I invite honourable members to read the response in yesterday's *Hansard*. I know the president of the Australian Retailers Association, Irene Goonan, is on the council. I know that association's opinion of the so-called Fair Employment Bill, the debate on which was adjourned yesterday. One wonders whether that bill has been taken to the Small Business Advisory Council. If so, I wonder what it said and what the minister did when she heard what it said.

All sorts of concerns have been raised around the state about that bill. The first concern raised with me was, 'I do not know anything about it. How will it affect me?'. That is a good example. It is a good thing the debate on the bill has been adjourned so that people can consult on it.

The minister established the Small Business Advisory Committee and has met with it. Is she listening? What is coming out of it? What input has it had that will foster the type of economic and industrial relations environment in Victoria in which small businesses can flourish? I think the jury says very strongly that, just like the minister's listening tour when nothing flows and just like her claim to represent the sector at the cabinet table in a policy sense, this is another example of be there, be seen, but do nothing.

The last page of the document 'Showcasing small business', headed, 'Victoria: the place to be for small business' states:

Small business in Victoria has already begun to experience a fundamental shift in the services, focus and attitude of this government.

That is absolutely right. Does the minister know what small business is saying about her and this government? They are saying that the shift in service, the shift in focus and the shift in attitude are anti-business, anti-small business and anti-Victorian. I commend the motion to the house.

Hon. M. R. THOMSON (Minister for Small Business) — This is just a repeat of what the house has

heard before from the honourable member. What hurts the opposition is the fact that the government is out there listening and talking to small business. It takes its concerns into account, and that is something the previous government failed to do. I will discuss some of the circumstances in which small business found itself under the previous government and contrast that with the current situation.

The honourable member referred to Showcasing Small Business, the economic climate and the fundamental driver of small business confidence. Yes, the policy deals with national and international drivers of the economy. The policy examines how the state government can help small business to gain access to and compete in the marketplace.

Let us look at some of the fundamental issues. The honourable member asked: what is the state doing to help small business? The first was to announce tax cuts. The government could have arbitrarily decided where those tax cuts would be. It did not.

Honourable members interjecting.

Hon. M. R. THOMSON — It did not. The government taxation task force included a small business representative to ensure that when the tax cuts were implemented —

Hon. Bill Forwood — When they are implemented!

Hon. M. R. THOMSON — Yes, when they are implemented they will have a positive impact on business, particularly small business. That is the difference between the former coalition government and the Bracks Labor government. This government is prepared to consult and talk with people. It will ensure that the tax cuts have a positive impact on business, particularly small business.

The opposition has referred to a number of issues that affect small business, but when I have spoken about the impact of the GST on small business I have been met with ridicule. Yet it is because of voices like mine that the Prime Minister is now admitting that the business activity statement (BAS) needs to be simplified. If it were not for some state government ministers and business organisations yelling and screaming, the voice of small business would not be heard.

I refer to the cost of fuel and its effect on small business. Every time I have mentioned the necessity for the federal government to respond to the needs of small business by not insisting on the consumer price index increase in excise on fuel, I have again been met with ridicule by the opposition. Both the former Premier of

Queensland, who is now the Leader of the Opposition in that state, the Honourable Robert Borbidge, and the present Premier of Western Australia, Richard Court, said the federal government needs to act on excise, but the Victorian opposition says nothing. It should consider the escalation in costs facing small business because of increased fuel prices.

I am not the only one talking about the increased costs facing small business, the media is constantly referring to the impact on small business of the BAS and the increasing cost of fuel. As the Minister for Small Business I have a duty to speak out on behalf of small business.

Tomorrow I want to attend a ministerial council meeting on small business.

Hon. Bill Forwood — The Small Business Advisory Council?

Hon. M. R. THOMSON — No, a ministerial council meeting. Because Parliament is sitting I will be unable to attend the meeting, which wanted to address the needs of small business, simplify the BAS and ensure small business can cope with the compliance costs, but Minister Reith is not prepared to consider those issues. The ministerial council meeting will be a farce.

As I said, it is not just me who is saying these things. The Australian Chamber of Commerce and Industry (ACCI) quarterly survey of small business covering July, August and September found that interest rates, the fall in the value of the Australian dollar and its effect on import prices, the rise in the cost of petrol and the introduction of the GST have caused a drop in confidence.

The Victorian Economic Development Committee found that compliance difficulties with the GST had a significant effect on small business. The Victorian Employers Chamber of Commerce and Industry (VECCI) reported that set-up implementation costs of \$3000 to \$9000 were irrefutable. The recent Morgan and Banks survey showed a staggering 92 per cent of small business firms found the GST has had a negative effect on their profits. Dun and Bradstreet, in its national business expectations survey for September, commented that the weaker business outlook may in part be due to the enormous amount of time and resources that have been committed to fulfilling GST administration requirements. No wonder small business operators do not read the *Australian Financial Review* or other such newspapers, they just do not have the time.

The VECCI survey of business trends and prospects said that exclusive Victorian data relating to the business sentiment index improved during the September quarter due to an increase in the proportion of respondents, from 13 per cent to 15 per cent, who expect economic performance to be stronger a year from now. They include businesses in wholesale and retail trade, property, finance, education, and health and community services.

Commercial and retail construction has recorded strong growth. The latest figures, which are for September, indicate that commercial building growth increased by 19 per cent over the previous financial year, with the sector accounting for \$104 million. The retail sector continues to record strong growth, with an 82 per cent increase over the previous year, valued at \$76 million.

Henley Properties, Australia's second most prolific home builder, reported a strong resurgence in Melbourne but dismal trading elsewhere. An *Australian Financial Review* report states:

There was a drop-off running into the GST, as there was in all other states, but since then our sales have picked up and are almost back to normal pre-GST levels.

That is what is happening in Victoria. The building industry is recovering.

The ACCI Westpac survey of industrial trends for the September quarter states that confidence among manufacturing firms rebounded, as did activity levels. It found that Victoria's export and investment outlook is better than the national average. The investment outlook in 2000–01 is positive, and employment is rising. Unemployment is at a 10-year low.

In October non-metropolitan employment rose 5 per cent compared with a year ago. Total employment in October was 81 500 higher than a year earlier. The September quarter figure specifically for the manufacturing sector indicates employment was 370 100. That is 38 900 or 12 per cent higher than a year earlier. The figure was the highest recorded for 10 years.

The government is working hard to ensure improved confidence in the manufacturing industry, and this has resulted in significant new investment coming to Victoria. Government initiatives to improve the outlook for business investment include the \$1.5 billion Linking Victoria program, which includes commitments to a rail link between Melbourne Airport and the city and fast rail links to regional cities, the Geelong Freeway upgrade, the Eastern Freeway extension, the duplication of the Calder Highway to Bendigo, the development of

Melbourne's port and the redevelopment of the Spencer Street railway station. This government is governing for all Victoria, not just the central business district.

In the 1999–2000 financial year the Victorian government facilitated \$1668.1 million of investment in Victoria. That figure was an increase of \$172.2 million on the total of \$1495.9 million for the previous year. The investment facilitated during 1999–2000 resulted in 7277 new jobs compared with 5285 jobs in the previous year, yet the opposition is trying to talk down economic growth.

The *Hamilton Spectator*, your local newspaper, Mr President, and that of the Leader of the Opposition in the other place, of 4 November states:

A claim by member for Portland, Denis Napthine, that there was an alarming downward spiral in business confidence in rural and regional Victoria, has been challenged by business and community leaders.

It goes on to quote the mayor of the Southern Grampians Shire Council, Cr Harold Templeton, as saying that:

... on balance, most business were doing well, with wool starting to pick up, beef strong, most agricultural commodities improving and confidence returning, particularly through new retail development.

...

We are actually going through a mini boom.

The manager of Cyclone Industries in Hamilton, James Clark, is reported as saying that:

... he felt a number of factors could affect business; however, the town appeared more confident than it had been when he moved to the area around eight years ago.

Confidence generates business confidence, and we see things like real estate starting to move, but there is a whole raft of other effects which can be felt by businesses, both economic and political.

He says Hamilton is improving under a Bracks Labor government. He thinks the government seriously takes into account the need to look after the whole of Victoria, not only part of it.

The editorial of the same date is headed 'Don't bash the bush', and it states:

The Leader of the Opposition and our local member for Portland, Denis Napthine, may not have read Joseph Heller's book — or seen the film — *Catch 22*.

He would do well to learn just what that catch was. Perhaps it's easier to explain as, 'Damned if you do, damned if you don't'.

Denis is battling to find his way in the preferred Premier stakes with a single-figure rating compared with the most popular Premier ever, Steve Bracks.

He is also hanging onto his leadership with a grim smile and exclamations of media beat-up and the fact that the parliamentary party is behind him — even if others aren't.

So he's decided that to become popular is to 'bash Bracks'.

The editorial goes on to say:

Trouble is, in painting the bush as full of doom, gloom and missed opportunities, he's bashing us as well.

That is what the opposition is doing, bashing small businesses by its continual claims of doom and gloom instead of painting an accurate picture.

I turn to the government's export performance. The Australian Bureau of Statistics (ABS) expectations survey for the December quarter 2000 shows that Victoria has above average expected growth in sales and employment. State exports soared to a record \$20 million. The *Age* yesterday points out that:

Victoria is now the nation's second-largest exporter of goods. For the first time in decades Victoria has overtaken New South Wales.

Many small businesses are part of that export boom. The *Age* article goes on to say:

... Victorian exports of merchandise shot up 15 per cent in the year to June. They then accelerated to 25 per cent growth in the year to September, soaring to a record \$20.2 billion.

Hon. Bill Forwood — Is that a quote?

Hon. M. R. THOMSON — They are ABS figures.

Hon. Bill Forwood — You're reading from your speech?

Hon. M. R. THOMSON — That is right. We have heard much about small business growth rates and industrial relations. The Victorian government is looking at reintroducing a limited state-based system. Victoria is the only state that does not have one. We have repeatedly said in this place that we would prefer there to be a national industrial relations scheme that operated for the whole of Australia. Unfortunately, that has not eventuated.

I turn to what occurred under the previous government when the industrial relations system was handballed and people were left uncovered. Victorian small businesses recorded slower growth rates over the period 1995–99 than New South Wales or Australia as a whole. ABS figures, derived from *Small Business in Australia 1999*, show that for the period 1995–99

Victoria recorded a decrease in the number of small businesses from 226 300 to 225 400. The opposition when in government did nothing for small business. Members of the now opposition did not care about small businesses, did not listen to small businesses and certainly did not grow small businesses. Victoria had the lowest proportion, 44.1 per cent, of its work force in small business of all the states and territories during the opposition's time in government.

I turn to what the government is doing for small business. We have talked about the tax cuts and the way they are to be delivered. We are concerned to ensure that we have a cohesive response from government to address the challenges, priorities and concerns of small businesses. The Showcasing Small Business program is the beginning of that process.

There are a number of key strategic themes to bring small business into the mainstream of government considerations. We are looking at how we can involve small business in the decision-making process. Part of that is the Listening to Small Business program. The Small Business Advisory Council, which has an immediate input to me and to cabinet, has been established. The government has also improved the Victorian Business Centre Network and increased the services available to small businesses through that network.

We are working on ensuring that small business has access to information and skill development, minimising impediments to growth, championing small business within all tiers of government and encouraging participation in the state's growth. That is why the government has initiated the strategic audit of Victorian industry to help establish industry plans for this state. It is why we have increased the input of the Office of Regulation Reforms into government regulatory impacts.

Until I became the Minister for Small Business there was no accounting of how much of the business development grants went to small businesses to help them grow and develop. It was 39 per cent in 1998–99.

Hon. Bill Forwood interjected.

Hon. M. R. THOMSON — We counted it. This government went back and did the job the former government should have done. It looked at what it was doing for small businesses and what the previous government failed to do — ensuring that they had access to business development programs. The government has given a commitment to increase that to 50 per cent. Those grants should go to the new,

growing, small businesses, the ones that will provide jobs for the future, exports for the future and development for the future of this state.

The government is looking at initiatives in e-commerce. We heard much criticism of the new approach the government is taking in the Department of State and Regional Development to ensure that small businesses have an input into the department's considerations.

The honourable member opposite suggests that having a whole-of-government perspective on small business is a bad thing. Let us look at what is happening. Not only is the government moving away from the silo approach of the previous government, where the Minister for Small Business could not communicate with the rest of the department, but the department is now being responsive to the needs of small business and to the government's policy agenda.

I turn to the issue of Workcover, about which we have heard a great deal. I talk to business about Workcover, and the government has certainly not run away from the concerns businesses have raised about Workcover premiums. Some businesses have said they have had a 30 per cent Workcover increase this year, a 30 per cent Workcover increase under the previous government and the year before a 60 per cent increase. The experience rating system under which Workcover operates is the same system that the former government put in place. The government has made a commitment, which was repeated in the minister's second-reading speech on the Workcover legislation, that it would review the experience rating system. The Minister for Workcover will undertake that review to look at ways in which the system can be adapted to suit small businesses and business generally to provide more certainty.

The government was committed to restoring limited common-law rights, and that was responsible for 7.5 per cent of the increase in premiums. The other 7.5 per cent resulted from bringing the system back into the black. Year in and year out since the experience rating system was introduced by the former government every small business has been hit and miss with their Workcover premiums.

Honourable members interjecting.

Hon. M. R. THOMSON — I will expand on the issue. The experience rating system means that it is not their own experience rating that determines the rate for small businesses; it is calculated on their industry rate. That is part of the problem with the scheme. The government has undertaken to review the experience

rating system, and businesses will then have a chance to have input into that review.

The government is conscious of the demands on small business and of the burden of having to be tax collectors for the federal government, and it is conscious of external impacts on businesses. It is conscious of the need to ensure that a regulatory burden on small business is minimised. The state government is intent on minimising its component of the regulatory burden on small business and on making it easier for small business to do business.

The opposition presents a sad and sorry case to the house. The government will respond to small business needs. It will continue to talk with small businesses and listen to their concerns. I will represent and advocate for small business at state, federal and local government levels. The government is committed to the growth of small business in Victoria, and the economic indicators suggest that small business will grow and flourish. The government will ensure that it does what it needs to do to assist in that task.

Hon. W. R. BAXTER (North Eastern) — I commend the Deputy Leader of the Opposition for bringing the motion before the house, because it raises some important issues. Yet again it illustrates how small business underpins the economy of the state of Victoria and how important it is that small business concerns be taken into consideration, and that every possible assistance and encouragement be given to small business. However, how could small business have any confidence that its concerns are being taken into account by the government if small business representatives had been sitting in the gallery today listening to the response we have just had from the minister? I sometimes fall into utter despair on hearing the debates in this place.

On what I have just heard from the minister, today almost gets to the top of the list. I expected a fully fledged defence from the minister about what she is doing for small business. She has had plenty of opportunity to know what was likely to be the substance of Mr Forwood's contribution, because there has been a sustained number of questions and matters raised during the adjournment debate over the past few months. It was clear from what position the opposition was likely to come, and I thought there may have been substance in the minister's response.

I am disappointed the minister has left the chamber and is not able to hear the points I am making. Her opening defence related to tax cuts. I was flummoxed by that. What tax cuts? I thought the recent Auditor-General's

report showed that the per capita taxation in Victoria has increased by \$176 in the past year. That was the prime defence from the Minister for Small Business when under attack from the opposition — that the government is delivering tax cuts! At best tax cuts might be delivered 12 months or more hence. We do not know whether they will be, and we do not know in what form. If they are to be delivered, will they materially affect small business, or is it more likely that if they do materialise — I am doubtful — it might be in payroll tax, for example, which, as welcome as that would be to the economy generally, would not do much to help small business, most of whom are under that threshold in any event? I would have thought that if the minister is trying to say to small business, 'Yes, we will go out and assist you with tax cuts', we might have at least got some indication in what form or in what area, and some guarantee that they will be delivered next year. We did not hear that.

The house then heard a barrage against the federal government on fuel prices. As I acknowledged in the house last week, there is a great deal of concern about fuel prices throughout country Victoria and throughout Victoria generally. I acknowledged that the main reason for the hike in fuel prices is the international oil situation and the falling Australian dollar. The minister did not acknowledge that point, but worse she did not acknowledge in her attack on the federal government about fuel prices that, unlike the state government, it has delivered something to business on fuel prices — that is, the GST component is now fully recoverable for business use, which has never been the case before. Now all small business operators who put petrol in their motor vehicles or delivery vans are able to get a direct recovery because of that initiative. The minister did not acknowledge that fact.

The minister made no acknowledgment that transport, which is such a significant cost for small business in getting its merchandise into the shops or whatever, is now rebated at 24 cents a litre. No acknowledgment was made that the freight costs of goods coming in by rail, which is used by some small businesses, is now rebated for diesel costs to the extent of more than 40 cents per litre. That never happened before. It is the first time in the history of the nation's fuel excise that business has had that rebate. Was there any acknowledgment of that by the minister? No, there was the opposite — she attacked the federal government. Yet the federal government has delivered something, unlike the state government which also had the capacity to do something about fuel prices if it wanted to. The state government is doing nothing.

The minister has gone on and on in this house about the GST. Rather than setting out to sabotage the GST and create as much alarm among small business as she can, a Minister for Small Business who was taking her duties seriously would acknowledge that the people of Australia voted for the new tax system of which the GST is a component. She might have said, 'It does cause some rejigging of accounting systems in many businesses, which may not be a bad thing. It is my responsibility as minister to help those in small business work their way through this, and my department has the capacity to do that'. Have we heard that from the minister? No! All we have heard from the minister for months now is an attempt to beat up the GST as some great impediment that will bring down small business. The undermining of confidence is disappointing.

The minister said she is not able to attend tomorrow's ministerial council tomorrow because the house is sitting. Subject to my checking the record and from my experience as a minister of the Crown I would have thought a ministerial council would not be convened on a day the Victorian Parliament met. I had enough influence on the ministerial council to ensure it did not do so! The minister says, 'Stiff luck — I can't put the case for small business to the ministerial council tomorrow because it is meeting on a day when Parliament is meeting'. Why did she not do something about it? Why does the ministerial council not meet at some other time, such as Friday?

The minister went on with a great tirade about how the previous government did nothing for small business. I am not proposing to go over it chapter and verse, but if the Minister for Small Business wants to run that line, how can she have any credibility? One need look only at the Workcover premium rates and the black hole in 1992, the premium rates seven years later and where they are going now. The proof of the pudding exists in that one example!

However, there are plenty of others. Under the previous government municipal rates in the municipality in which I have a business went down more than 5 per cent, which in the case of many businesses was some thousands of dollars, and rates are still lower than they were. That is cumulative: every year those small businesses have the savings in their pockets. Yet the minister says the previous government did nothing for small business. I could refer also to the Better Roads program and so on. There is a whole range of ways in which the previous government helped small business.

Honourable members should not forget about the project of getting small business up in lights. That was the great success of the previous Minister for Small

Business, the Honourable Louise Asher. Can any of us forget Small Business May?

Honourable members interjecting.

Hon. W. R. BAXTER — Although we used to joke about it in this place and make a bit of fun of it the program put small business up there in the public eye

Hon. W. I. Smith — It focused it.

Hon. W. R. BAXTER — That's right, Ms Smith. It gave small business operators a feeling government knew they existed.

Hon. W. I. Smith — And was listening.

Hon. W. R. BAXTER — It was listening to them and supporting and promoting them. It said, 'You're doing great things for the economy. We want to give you a boost and tell the public what you're doing. We want to make it clear that you're an important part of the economy'. Small Business May reflected inclusiveness. It was not just about the big end of town or the businesses that employ 1000 or more people. It was about the little guys — the people in the strip shopping centres, the small farmers, the small engineering works, or whatever they are — that employ 2, 3, 4 and 5 people. Small Business May gave them the feeling that they were a vital and important part of the Victorian economy. The minister denigrates the lot by saying the previous government did nothing for small business. I reject that entirely and if that is the minister's only response it does her credibility no good at all.

As a country member, I claim to have a very close connection with small businesses. I acknowledge that honourable members who represent the suburbs have a similar connection. Most businesses in country electorates are the small enterprises to which I referred a moment ago — that is, the shops in the main streets of country towns, the engineering workshops, the small factories, the small builders and the farmers. There can be no doubt at all that they are very worried.

Confidence is a very fragile thing. Although at times they may not have liked Jeff Kennett's leadership style they respected him as a leader and his government delivered. They had a great deal of goodwill towards the Bracks government when it came into office and they certainly believed the Premier was a likeable, presentable fellow who would give them a fair go. I do not blame them for believing that, because that is how it appeared. They are rapidly becoming disabused of that notion because of the actions of the government that ignore the best interests of small business.

I will not recap all of them in detail but I shall refer to one or two. What did honourable members hear the minister say about Workcover? She described it as being hit or miss. I point out to the minister that many small employers in my electorate feel they are being hit in a big way and not too many feel they have been missed. They are suffering some extraordinary premium increases. One business in my electorate had a 450 per cent increase in premium rates — because Workcover has reclassified his major place of business as a quarry! Are the people at BHP headquarters in Bourke Street all classified as steel workers? Of course not! The government is attempting to get at country small businesses. It seeks to include all workers in a classification that should contain one or two workers in separate workplace locations. The example to which I referred is a higher risk industry than driving a desk in an airconditioned office. To use the minister's phrase, an indication of the government's attitude to small business is that it will give them a hit every time.

I refer to the Fair Employment Bill. If ever there were a piece of legislation that was designed to get at small business, it has to be the Fair Employment Bill. Are small businesses right throughout country Victoria getting up in arms about it? Absolutely. Their alarm is being aggravated by what they have read in the papers in the past couple of days.

The Master Builders Association and the Housing Industry Association have now come out and said, 'This piece of legislation is all right'. All that does is increase their alarm and concern. They see the MBA, the HIA and the like as being just as they see governments — looking after the big guys and not particularly concerned about small business. Small business people see the government's dishonesty and propensity to fudge and paint the picture not as it really is.

A lot of them have asked me, 'What about the information services officers in the bill? Aren't they really industrial police?'. I have replied, 'Why do you think so?', to which they have said, 'Well just look at the powers those people have got. They are not information services officers coming around to tell us useful information, they will be coming around as enforcement and compliance officers'. And that is what they are designed to do.

They know that the legislation in its current form is an attempt to have big government, big unions — as we know, many of those officers are likely to come from union backgrounds — and big business interfere in their activities, and they are dead worried about it, which is leading to a loss of confidence.

I will give a couple of examples of how alarmed small business is about the Fair Employment Bill and the actions of some of the unions that support this government. I have a letter from a ladies hairdresser — and I have to say that hairdressing is probably the epitome of small business. I do not know of any really large hairdressing chains. They are run by owner operators in country towns and suburban strip shopping centres. The lady who wrote to me says:

I am seeking your assistance to avert what I believe is a serious setback for small business in Victoria and employment in the hairdressing industry in particular.

The Victorian Industrial Relations Task Force recommendations, if adopted, and the SDAEA actions will result in further cost increases and freedom of choice restrictions to my business and my staff members.

Increasing costs are making small business extremely difficult and will affect staff numbers or even the security of my business.

That is an indication of a person who sees a threat to the survival of her business. She goes on to say:

When I chose to open my salon nine years ago, at age 21 —

you would have to give the lady full marks for having a bit of get up and go and entrepreneurship —

it was the only way to earn more than the award. In recent years we have had the flexibility to change that and tailor jobs to suit the people who wanted to work, now it is seems the SDAEA wants us to go backwards.

That flexibility allowed me to grow from a one-person business to employ a full-time apprentice, with another to start in November, plus four casual employees. The four casual employees, who are mothers, have previously built up great clienteles and want the freedom of working their own hours ... This gives them the opportunity to earn well above the award wage, with the flexibility to go home or shop when they don't have clients. This is a workplace agreement that works well for both parties; alas it will all come to an end if the SDAEA gets its way.

That is a pretty graphic illustration of the concerns out there among small businesses. It is not only the proprietor of the business who is concerned; I have a letter from the women who work there. They say in part:

Our main concern is that we will lose the flexibility we now have, in that we can choose to work 2 hours or 22 hours, it is up to us.

...

Please ask the SDAEA and the task force to consider the individuals who want the freedom to make their own workplace agreements. For someone like us it allows us to get back into the workplace after having a family, we can work our own hours and have the flexibility we want, and be rewarded for being skilled in our field.

Please help us in our fight to be able to make our own choices ...

I would have thought that that should be a clarion call for the Minister for Small Business. She should be the champion of small business, she should be out there fighting for small business and be at the cabinet table fighting for small business. But based on the information that has been elicited by questions over the past six months on the really important issues that are undermining small business — Workcover, industrial relations and the like — the minister has been found wanting.

Hon. K. M. Smith interjected.

Honourable members interjecting.

Hon. W. R. BAXTER — I had not finished, Minister. I was distracted by the waving of hands, and I misinterpreted the signal.

The point I was making is that small business in this state expects the small business minister to be its champion and to do more than just cruise around the state dropping in at the odd small business place and attending the odd chamber of commerce meeting and the like. Small business expects her to take on board all those concerns.

As Mr Forwood has made clear, it just pours out when you attend any small business meeting. Small business operators appreciate visits from the minister, there are no two ways about that, but the corollary is that at the end of it all they expect some actual follow-up, some action and a result. They are rapidly coming to the conclusion that the Minister for Small Business is being sent out on a public relations exercise to pat them on the heads while the government continues on its path of putting on the Victorian statute book legislation that includes regulations and conditions that will simply make it harder for them to survive and will give the unions a leg up to get into every small workplace where employees are not unionised and do not want to be.

What will be the consequence of all that? A reduction in employment opportunities, because family-operated businesses will hire fewer people, will get greater commitment from family members and will reduce their staff, and all the while the economy's downward spiral will continue.

In her response to Mr Forwood's motion I believe the minister failed the house dismally in her attempt to chart a course for small business in this state and make clear the government's agenda for small business. I do not think it was good enough, and I commend

Mr Forwood for providing the house with the opportunity to get these matters on the record.

Hon. W. I. SMITH (Silvan) — The motion before the house is:

That this house condemns the government for its failure to foster the type of economic and industrial relations environment in Victoria in which small businesses throughout the state can flourish.

I support the motion. It is integral that the important role of the Minister for Small Business is to represent small business interests at the cabinet table and to argue, defend and ensure that those interests are represented, to ensure that all cabinet decisions lead to a good economic and industrial environment in which small business may prosper and grow. I do not believe the Minister for Small Business has voiced small business concerns at the cabinet table, nor do I believe she is listening to small business.

By way of example I refer to a question to her yesterday asking whether she has asked her Small Business Advisory Council — probably her most important advisory council — to talk to her about small business interests and concerns and whether small business had seen the Fair Employment Bill and been able to voice any concerns about it and the future state industrial relations system.

The minister fudged the answer; obviously the answer was she had not. The minister has a council set up to talk to her and to listen to small business concerns but it has not had a chance to express a concern or comment about the biggest, most fundamental changes for small business that are being made at the moment.

There is no doubt that there is a trend towards change in the economic and industrial climate in Victoria. Taxes are up, there was no tax relief in the last budget and as yet there is none in sight. There is a lot of talk about it and reviews about it but there is no relief in sight. There is talk of even more taxes. Small business confidence levels in this state are slowly starting to change. According to the Yellow Pages survey conducted in November 1999, just after the state election, small business confidence had fallen from 54 per cent to 45 per cent. Support for government policy fell by 25 per cent. Nearly half the businesses surveyed believed the Labor government was a bad outcome for the small business community.

That drop in small business confidence in this state continues today. The Victorian Employers Chamber of Commerce and Industry (VECCI) business sentiment index for the December quarter of 1999 and the outlook

for the March quarter of 2000 showed that only 19 per cent of respondents believed the Victorian economy would experience strong growth in the next 12 months compared with 38 per cent nationally.

I shall examine the trend of lost investment and jobs that is slowly emerging in Victoria. There has been an increase in employment in this state. It is easy to quote numbers but it is important to look at the other side of the ledger to see what is happening and where businesses are going. For the first time in eight years businesses are beginning to close up and move to Adelaide. Virgin Airlines was lost to Brisbane and the BHP administration centre was lost to Adelaide. Kraft Foods closed down as did Heinz in Dandenong. Stafford Ellinson closed down in Bendigo and Boeing at Avalon Airport closed down. IBM was lost to Sydney in July 2000 and Oracle was lost to Sydney in August 2000. Motorola was also lost to Sydney in October 2000. Tenix Defence Systems closed down at Williamstown and Email Chef was lost to Adelaide in October 2000. Holden in Port Melbourne closed down, and BAE Systems was lost to Adelaide also in October 2000. It is easy to say that employment is high but the other side of the ledger shows that jobs are slowly being lost. The total number of jobs lost this year is 7140.

Hon. W. R. Baxter — On that list?

Hon. W. I. SMITH — Yes. There is no doubt that Adelaide and Sydney are picking up from where Melbourne left off after seven years of leadership. What is happening to produce a lowering of expectations of stronger growth in the Victorian economy? Having run my own business in Singapore and Melbourne I think it comes down to where the profits are made — it comes down to business costs, to taxes on business, to industrial relations and the environment created for business confidence.

Hon. T. C. Theophanous — Is this the hi-fi business?

Hon. W. I. SMITH — I do not know what the honourable member is talking about. There was no relief for small business in the first Bracks government budget. That is a pretty good indication of how the government is looking at small business. There has been no cut in payroll tax but the government has initiated another review that has been delayed. There have not been any cuts in land tax, fire service levies or stamp duty on leases. Instead Victoria has had tax increases and Workcover premium increases. Local government rates for business have increased and increases are taking place in other areas. The future state industrial relations system will be a further impost

During the election campaign Mr Bracks promised a payroll tax cut, but the government is wavering on that promise. At the Growing Victoria Together summit the two peak business groups, the VECCI and the Business Council of Australia, nominated cuts to payroll tax as an issue of the highest priority, but the Bracks government has failed to act.

The government has set up a process to examine business taxes. Of concern in the review of business taxes taking place are the areas that were left out of the consultation. Key areas that were left without public forums on the review of the state's business taxes include the outer eastern suburbs — an area I represent — the central business district, a fairly important area in which to confer with business, and Ballarat. Those areas have been snubbed as venues for public forums. While a consultation process has begun, some major areas have been left out.

The Treasurer has now delayed the reporting date of the review into state business taxes from December 2000 to February 2001. Where is the Minister for Small Business? Where is her voice in ensuring proper consultation? Where is her voice in ensuring there are no delays? Taxes increase while a lack of decisive government continues in Victoria.

Let us look at stamp duty and the GST. Victorians are being overtaxed by the Bracks Labor government which is levying stamp duties on top of GST-inclusive prices for insurance and vehicle transfers. The Labor government was calculating stamp duties after the GST had been added rather than applying the tax on the pre-GST price. Treasury forecast a major growth in stamp duty collection in 2000–01 and yet the Treasurer refuses to alter stamp duty calculation.

Hon. M. T. Luckins — On a point of order, I direct to your attention, Mr Acting President, the fact that Mr Theophanous is out of his seat and is being disorderly.

The ACTING PRESIDENT

(Hon. R. F. Smith) — Order! The point of order is noted: Mr Theophanous is not in his seat.

Hon. W. I. SMITH — The levying of stamp duty in that way is a tax on a tax; it is certainly not a relief for businesses.

Workers compensation premiums have also been increased. Where is the Minister for Small Business and her concern about the blow-outs and costs associated with Workcover? Night after night in the adjournment debate I have brought up examples and raised questions about small businesses faced with huge increases in

premiums. Some businesses have been running for 40 years without making Workcover claims. Many businesses have been reclassified into areas that they and their agents refute, but where is the minister and her interest in going through and ensuring that justice is done in some of those cases?

In May, before the premiums were announced, the minister was asked in question time what she would do for Workcover. She promised a Workcover incentive package for business. She said she was working with the Minister for Workcover and that she was concerned about the costs and ensuring that the costs of Workcover did not blow out or increase. She may have been concerned but she certainly did not have any impact. She did not have any effect around the cabinet table where she should have had some influence to alleviate the problems small businesses are now facing.

Workcover premium increases and tax increases mean a return to the 1980s and to the overtaxing policies of the Cain and Kirner governments. I take honourable members back to where the state was in 1992. The ALP left a Workcover deficit of \$2.1 billion. Premiums were 3 per cent of salary. Under the previous Labor government premiums peaked at 3.3 per cent of salary. When the Kennett government left office the Workcover scheme had been transformed. It was 93 per cent funded and premiums were down to an average of 1.9 per cent of salary. The net effect of the adjustments and reforms made to Workcover premiums by the Kennett government was that \$500 million to \$600 million per annum went back to business.

Where is Victoria today? A VECCI press release dated 20 March states that farming and rural industries would be particularly hard hit as they already pay high premiums. Small businesses have few avenues to reduce their Workcover premiums so they will pay higher average premiums. The VECCI said any increase in premiums would directly impact on small to medium-sized employers raising their Workcover costs by at least 20 per cent.

Victorians have witnessed increases in Workcover premiums, in many circumstances by more than 20 per cent. In a July edition of the *Age* Leon Gettler states:

Some Victorian companies are threatening to leave the state after a review of Workcover insurance premiums has left them with headline-grabbing rises of 80 per cent.

...

It's not just the increases that have got employers riled. When they get their premium notices, they normally have about three months to check whether the premiums have been calculated correctly and review their finances so that they can pay the full amount and get a 5 per cent discount.

But this year, notices were sent out in late July. This was not only a nightmare for businesses setting their annual budgets before the end of June — it also left them with little time to meet the August 18 deadline for full payment.

A newspaper article headed ‘Business to protest over Workcover’, which refers to the stand of the VECI on Workcover increases, states:

The chamber said it was the first time since 1992 that the employer group had felt compelled to convene a meeting in protest ...

Victoria’s peak business organisations had called an extraordinary public meeting of employers this week in protest at catastrophic increases ...

... the chamber has been besieged with calls from business owners outraged at the huge increases in their Workcover premiums.

A press release by the shadow minister indicates that even the Minister for Small Business, at a hearing of the Public Accounts and Estimates Committee on 9 August, is reported to have said that:

... many small businesses are distressed by the receipt of Workcover premiums notices containing massive increases.

What has the minister done or said about it?

I draw a comparison with a government that had a small business minister who fought for small business. I refer the house to some of the achievements of the Minister for Small Business in the Kennett government between 1992 and 1999. The opposition acknowledges that today 220 500 small businesses in Victoria account for 90 per cent of Victorian businesses. Obviously it is the engine room of the Victorian economy and an important part of private sector jobs in Victoria. Those businesses employ 794 000 people.

What did the coalition government do for businesses and how did it reduce the cost of doing business in Victoria? It abolished the Workcover deficit surcharge, thereby saving \$80 million a year. From the 1992–93 financial year it reduced premium rates payable for Workcover by Victorian employers by an average of 3 per cent to 1.8 per cent of payroll. It removed mortgage stamp duty on refinancing loans; it actually initiated cuts and changes.

The Kennett government reduced the cost of council rates by an average of 20 per cent through its restructuring of local government. It reduced payroll tax in three successive budgets, from 7 per cent to 5.7 per cent. It reduced land tax rates with benefits especially targeted at medium-sized businesses, representing a saving of \$30 million a year. It reduced red tape — and we have heard about deregulation — impacting on

business by more than 60 per cent. The Kennett government abolished 126 business licences, representing more than 25 per cent of all licences. In other words, the coalition government initiated and achieved.

Under the Kennett government significant reductions were made to Victorian local government rates, but today Victorians face increased rates — for example, in Ballarat 1 in 10 households have formally complained about increasing local government rates. I have received complaints about high rates imposed by the City of Maroondah to the extent that businesses and residents there are trying to fight the increases. There is no doubt that the government is not controlling and has little accountability for increases in local government rates that will impact on the business community. Local government rates and Workcover rates have increased while land and payroll taxes have not been cut by the Bracks government. Where is the Minister for Small Business?

The electricity crisis left a bill of \$100 million for Victorian businesses. Victorians are seeing changes in the way industry and the unions work together. The legacy of the electricity crisis will impact on the business community and will adversely impact on investment and job opportunities in Victoria. There is no doubt that some of the bigger businesses that are looking to invest are observing a return to the days of the 1980s and the Cain and Kirner governments, to unions initiating electricity blackouts and demands. Those businesses will think, ‘Will we invest in Adelaide, Sydney or Melbourne?’. Melbourne will miss out.

Businesses and workers across Victoria have been severely disadvantaged by both electricity crises — random blackouts, then on-and-off restrictions and last month the state was subjected to random blackouts. Industrial problems have started in Victoria; it is the beginning of a worrying trend.

A major building block to economic stability and growth for business is industrial relations. Victoria needs stability, but Victorians are starting to see union changes and manoeuvrings, and unions talking to the minister. That impacts on small business, particularly in the retail and manufacturing sectors that are suffering from a rush of strikes and bans.

The Shop, Distributive and Allied Employees Association has succeeded in having 27 000 small retail businesses in Victoria in dispute over being roped into a federal award which, estimates suggest, could increase costs to employers by 20 to 25 per cent. The Kennett

government worked with that union and sought to appear before the Australian Industrial Relations Commission, but when the Bracks government came to office it withdrew the evidence from the hearing in an unprecedented move that has cost small businesses dearly.

In its 14 September news release the Australian Retailers Association states:

Small Victorian retailers have been dealt a harsh blow by the state government's industrial relations task force recommendations handed down last week.

If the major recommendations are introduced, many jobs — particularly in regional Victoria — will be lost, according to the executive director ... Timothy Piper.

They are predicting that the eventual cost to small business will increase by 25 per cent.

A VECCI news release of 5 September headed 'Potential threat to small business in state government industrial relations task force report' states:

Adoption of many of the proposed recommendations in the IR task force report released today have the potential to cripple many small businesses in the state — businesses which are the engine room of economic and employment growth in Victoria.

The VECCI predicts losses of up to 22 000 jobs.

An article by the Honourable Mark Birrell in the *Small Business Report* states:

Recent electricity black-outs caused by energy unions were very harmful ... Equally as worrying —

and equally as harmful —

are the moves by the government to pursue new state IR laws to regulate small business workplaces.

Wages will increase and jobs will be lost, but the Minister for Small Business is interested only in achieving increased unionisation in small businesses. The most recent industrial relations threat to Victoria's economic success has been Campaign 2000. The campaigns have started in Victoria and the unions are starting to take hold. I refer to what Robert Gottlieb — an independent authority — has to say in the *Business Review Weekly* of 25 February under the heading 'Unions demands are a crisis waiting to happen'. The article states:

Suddenly, the 'Victorian factor' is again threatening to reduce Australian economic activity. For most of the past seven years, Victoria's growth rate matched or exceeded the national average. But now one of the main forces behind that growth — the building industry — is about to go into a steep decline.

Figures that are being presented to the Bracks government show that Victoria's building activity is likely to decline by about 50 per cent in 2000–01 ...

...

A simplistic analysis puts the blame on the administration of the new Labor Premier, Steve Bracks. But the forces behind the decline are much, much more serious, and they have the potential to affect the entire nation.

There has been a significant swing to the left in key parts of the union movement. A number of left-wing unions have been telling moderate union officials that in the next election for the union's office bearers, there will be a 'reform ticket' inspired by the left ...

Victoria's worsening industrial relations environment is poised to harm the former strong economic base and therefore small business. But where is the minister? The minister's silence is deafening. Higher business costs and more union power will reduce the economic environment and cause business difficulties.

In conclusion, I refer to the document that the minister herself says sets the scene for the strategy of small business. It is illuminating.

Hon. Bill Forwood interjected.

Hon. W. I. SMITH — The government got rid of Small Business May which, as the Honourable Bill Baxter said, focused small business and certainly Parliament on what business was doing. Out of that came considerable policy initiatives. I return to the document to see what is presented as policy, because some of the comments are interesting. The 'Showcasing small business' policy states:

The Bracks Labor government's first budget retained a substantial operating surplus to protect Victoria against economic downturn, while also ensuring business taxes can be reduced by \$400 million over the term of a government and that services can be improved.

We still have not seen the tax cuts. The government is still consulting on those and decisions are still to be made.

The current *Review of State Business Taxes* —

which I said is again being deferred —

is the first comprehensive assessment of the state's tax system since 1983 and is an important step in ensuring that Victoria's taxes support the needs and challenges faced by businesses in a changing economy.

One of the most important things a government can do for small business is to reduce business tax. I looked with great interest at the hand-outs in the policy which in the main are comprised of computer sites. Very few hand-outs in the 'Victorian government strategy for

small business' give more than just a web site. They are the Koori Business Network and the Business Licence Information Service. There is nothing wrong with those services, but there is nothing about initiating or doing anything. They are just web sites.

Vic Export — w.w.w.export.vic.gov.au. — shows how to improve exporting. Small businesses need to do more than go to a web site to improve their exporting. They need reductions in business costs to help them along. What about reducing payroll tax, land tax, workers compensation premiums, local government rates, stamp duties on leases and fire service levies? There is nothing to help businesses improve their operations to become more competitive and to export. The minister can visit as many small businesses as she likes but she has to listen and actually initiate and develop policies that assist small business.

I return to the point about the Small Business Advisory Council. That is a major voice to the minister, but again when asked yesterday whether that council had been asked to comment on the impact of the new state industrial relations system — honourable members know the minister has talked at length about the importance of that council — the minister failed to answer the question. Yet we know that the representation on that council is from small business owner-operators so that was a great opportunity to ask them, 'What will a new state industrial relations system do for your business?. How will it impact on you?'. The minister could then have stood up and said, 'Yes, I have asked them and here are the answers'. Obviously she has not done so.

I conclude as I began. One the most important roles of a Minister for Small Business is to represent business interests at the cabinet table — to argue, to defend, to represent and to ensure that all cabinet table decisions that will have an impact on small business have regard to a good economy and a good industrial environment so that Victorian small business may prosper and grow. I do not believe the Minister for Small Business has voiced small business concerns at the cabinet table. If she has, she is certainly not being heard.

Hon. E. C. CARBINES (Geelong) — I am very pleased to demonstrate the Bracks government's commitment to small business and therefore oppose the opposition's spurious motion. It is interesting that the opposition placed a similar motion before the house about a year ago, less than one month into the Bracks government's term of office. When reading *Hansard* from this time last year I found it interesting that the same sort of talk occurred — doom and gloom and Henny Penny running around forecasting that the

Victorian sky was going to fall in on small businesses. I was delighted a year ago to contribute to that debate and to refute the opposition's nonsensical motion, and I feel similarly proud to do so today.

The Bracks government cares about Victorian small businesses and recognises the key role they play in driving the Victorian economy. More than 225 000 small businesses in Victoria employ about 750 000 people. Since gaining office slightly more than a year ago the Bracks government has taken a proactive approach to small business, in stark contrast to the previous Kennett government, which totally ignored small business for seven years. The opposition may not like that message, but that is what small business is telling the government.

The opposition is attempting to create a myth that growing industrial action in this state is affecting small business. There has been much talk but little evidence. I shall use the recently released Australian Bureau of Statistics figures to compare the number of working days lost in the past 12 months and those lost in the last 12 months of the Kennett government. In the past 12 months ending August this year 84 working days per 1000 employees were lost in Victoria. In the 12 months ending August 1999 under the Kennett government Victoria experienced 107 working days lost per 1000 employees. Days lost were 84 under the Bracks government and 107 under the previous Kennett government, a decrease under the Bracks government of 23 days. I say to honourable members opposite, 'Do not ruin a good story with the truth!'. The truth is that industrial disputation and the number of working days lost in Victoria is on the decline. No-one can refute that evidence.

I am proud that in the first month of the government's first term, the Premier chose to hold its first community cabinet in the regional city I represent. The Premier and minister spent the day meeting with business representatives and community groups from across Geelong. The Minister for Small Business used the occasion to meet with members of Geelong small businesses and to listen to their concerns and aspirations.

The message was very clear from the minister, as it was from the Premier on the day — very pro-Geelong, very pro-business in Geelong. Since the early days of the Bracks government, the Minister for Small Business has been very active and attentive and has visited over 600 small businesses across the state.

I had the pleasure of attending a small business forum in Geelong with the Minister for Small Business in

June this year — about seven months into our government. It was pleasing to see the number of small business people who came along to meet the Minister for Small Business and myself and my parliamentary colleagues, Mr Trezise and Mr Loney. This forum formed part of the listening to small business initiative of the Bracks government. Each small business represented at the forum in Geelong had its own particular tale to tell. But it was clear that every one of the small business people who came along were very keen and interested to work with the Minister for Small Business and the Bracks government to grow small business. They welcomed the opportunity that they had not had in the past to speak directly to government. I congratulate the minister for that initiative.

At that forum I was particularly impressed by a small business called Challenge Advertising. That was a new small business that had relocated to Geelong from an interstate capital city. The owners, David and Monica Baird, had used the Internet to research hundreds of possible sites around the world to relocate their small business. After much careful consideration and scrutiny of the pros and cons of many cities around the world, they chose Geelong. I was really proud that they chose the regional city that I represent.

Hon. J. M. McQuilten interjected.

Hon. E. C. CARBINES — It was a good choice, Mr McQuilten — an excellent choice. They chose it because of our beautiful city, but they also chose it because they were very impressed by the aggressive marketing campaign of the City of Greater Geelong's Smart Move campaign, which is aimed at attracting business investment in Geelong and attracting more residents. Since coming to Geelong, Challenge Advertising has played a major role in the Geelong economy.

On that day, after the small business forum in the morning, the Minister for Small Business and I visited many small businesses in Geelong. It was a pleasure to meet with small business operators, listen to what they had to say and see them showcase what they were doing in Geelong. One of the small businesses we visited in East Geelong was a gift shop called Goose. This small business is run by one of the young heroes of small business in our state, Kristen Murphy. She is a young woman in her mid-20s who has been operating a business for a considerable number of years. She is innovative; she is at the cutting edge of marketing and retail. I congratulate her for the work she does in Geelong. She has expanded her business from her original Goose shop in East Geelong to Goose 2 in

Little Malop Street. I know that many Geelong residents really like shopping in her gift shops.

The government is providing programs and initiatives for people considering setting up a business in Geelong, and across the state. I was recently contacted by a Geelong woman who was interested in setting up a business in Geelong. She said, 'I do not have any business experience. Where can I go for information?'. I directed her to the Victorian business centre in Moorabool Street and gave her the phone number. She spent some time speaking to the people at the Victorian business centre. When she got back to me, she said she was very impressed by the amount of information that was available and the programs to help her start up. She was seriously impressed by what was on offer by the Bracks government to assist the development of new small businesses in Geelong.

Out of similar forums around the state held by the minister, the Bracks government released in October this year its major small business policy statement called 'Showcasing small business'. This small business policy statement is the first significant small business policy statement in many years by any Victorian government. It clearly demonstrates not only the Bracks government's commitment to small business, but also our respect for its contribution to Victoria. Page 1 of the document states:

For too long, small business has been ignored. It's time for Showcasing Small Business.

This statement contains the government's vision to support and encourage Victorian small business to start and grow. It identifies new solutions for the challenges faced by the state's small businesses, today and into the future.

...

We seek to include small businesses in the government's overall economic development framework. We want to help promote their success and provide small business with a regulatory framework in which it can flourish. We want small business to help us by providing their input into government decisions that affect them.

...

Showcasing Small Business is all about delivering better services to small businesses across the whole of Victoria. It is our commitment to restoring the voice of small business and, most importantly, it is based on a financially responsible foundation, whilst growing the whole state's skills base, infrastructure, innovation and entrepreneurship.

That was released in October this year. The Showcasing Small Business program commits the Bracks government to providing a regulatory framework for small business to flourish. Page 3 of the document states:

The government is committed to an ongoing review of regulation and reducing the regulatory burden on small business.

A government member interjected.

Hon. E. C. CARBINES — Exactly. An aspect of this involves our commitment to review the Retail Tenancies Reform Act, an election commitment that we took to the people of Victoria, and a matter in which small businesses are very interested. Late in October the minister issued a press release about the review of retail tenancies:

The government made an election commitment to review the operation of the Retail Tenancies Reform Act 1998. The review will examine and recommend specific changes to improve the operation of the state's retail tenancies legislation.

The press release goes on to detail what the government intends to do with its review, and the minister is quoted as saying:

The government is confident that the review will provide clarity, certainty and fairness to both landlords and retail tenants.

That is what small business wants. There will be a consultation process starting in February 2001 with the release of a discussion paper in May which will contain draft recommendations. The review of the retail tenancy law will report its findings to the minister by 31 July next year. The minister expects that legislation arising from that review will be introduced in the 2001 spring session of Parliament.

In addition, early this year the Minister for Small Business announced the appointment of a small business council. This is a groundbreaking initiative of the Bracks government. The great thing about the small business council is that it is comprised of people who operate small businesses. As a regional member of this Parliament, I am pleased that there is a strong emphasis on regional people on that council. In her press release of June this year the minister states:

The council gives small business operators direct input into the formation of state government policy, providing operators across the whole of Victoria with the opportunity to work with the Bracks government towards the common goals of minimising cost burdens and maximising performance and employment growth.

The small business council is comprised of 20 small business operators; 30 per cent have small business experience in regional Victoria.

The Bracks government further supports small business through its commitment to increase to 50 per cent expenditure on the business development program.

Under the Kennett government the expenditure was only 39 per cent. Since this government came to office it has announced many programs and initiatives to assist small business. One such program is the New Starter Workshops. Page 6 of the 'Showcasing small business' booklet states:

For start-up businesses, we will enhance the New Start initiative. This will combine New Starter Workshops with regular follow-up information sessions and support to assist people intending to set up a small business. The program will be strengthened through an increased presence in regional Victoria.

That should be applauded because regional Victoria was ignored by the previous government. I am pleased the Bracks government through the work of the Minister for Small Business is assisting regional Victoria. The constituent who contacted me because she was thinking of setting up a business will benefit from initiatives such as that.

Under the leadership of the Minister for Small Business, the Bracks government has enhanced the Koori Business Network, which should be applauded by all members of the house. The 'Showcasing small business' booklet refers to the Koori Business Network at page 6 which:

... will promote the start up and growth of indigenous small businesses.

As I said, that initiative should be applauded by all honourable members. Geelong has an indigenous small business in Wauthaurong Glass. It is a fantastic business and is obviously associated with the Wauthaurong community. The small business minister and I visited the factory and both purchased some of the goods on display because we were taken by their beauty and craftsmanship. Members of the Koori community are proud of that small business initiative and I applaud them for it.

The 'Showcasing small business' kit again demonstrates the Bracks government's support for and emphasis on regional Victoria. Its broadsheet headed 'Revitalising regional retailers' states:

Changes in regulation, technology and consumer preference have placed increasing management pressure on small retailers — particularly in regional Victoria.

Victoria's Revitalising Regional Retailers seeks to respond to these pressures by addressing the information and management needs of small retailers, consistent with the government's policy priorities for small business and rural and regional Victoria. The Revitalising Regional Retailers program aims to support small retail businesses — particularly pubs, clubs, liquor stores, food retailers and newsagents — in their efforts to understand and compete

successfully within the rapidly changing business environment.

Showcasing Small Business has a number of initiatives to assist small business, including pre-business workshops, the small business counselling service, the Victorian business channel, the business licence information service and the Victorian business line. The evidence to refute the opposition motion is overwhelming. The Bracks government is assisting and fostering small business in Victoria.

Honourable members interjecting.

Hon. E. C. CARBINES — Opposition members do not like to hear it, but it is true. As I said, the evidence is overwhelming. The opposition talks down small business. A year ago in Parliament a similar debate took place and the opposition attempted to talk down small business. Approximately six months ago Geelong had a small business forum where small business representatives showed they were eager to work with the government and to take up the initiatives presented by the small business minister who was present to listen to what they had to say. Just six months ago there was positive affirmation of the government's actions. I read an interesting article in the *Geelong Advertiser* of 13 November written by Graeme Esler, the manager of the Geelong and South Western region of the Victorian Employers Chamber of Commerce and Industry (VECCI). I will read the article because it comments on the work the government and the Minister for Small Business are doing. It is entitled, 'Minister on right track' and it states:

The Victorian Employers Chamber of Commerce and Industry has welcomed a direction statement on small business, Showcasing Small Business, launched last week by the small business minister, Marsha Thomson.

In the statement, the minister outlined the government's approach to small business in the new millennium, promising a framework in which small business can prosper.

There is no doubt that small business is very important to the Victorian economy.

The small business sector represents more than 95 per cent of all businesses in the state, as well as employing 750 000 people, which is almost half of the total employment in Victoria.

As well as this high proportion of the state's employment, small business contribute around one-third of Victoria's total economic output.

The VECCI therefore welcomes the commitment by the Bracks government to provide a framework that ensures the small business sector continues to grow in both local and overseas markets.

In particular we welcome the minister's comments that the government will focus on minimising the legal, taxation and regulatory compliance burden that impeded small business growth.

The VECCI manager in Geelong is giving the minister a big tick. A year ago the opposition forecast doom and gloom. Just six months ago the Geelong small business forum received positive feedback from the government and last week the VECCI praised the work of the small business minister and gave her actions a big tick. Small business is flourishing in Victoria. The government is listening to small business, and its policy reflects their needs and aspirations. In turn, small business is relishing the opportunities to have direct input to the government and the up-take of its assistance initiatives is enthusiastic.

The VECCI has endorsed the government's approach to small business and complimented the minister for the work she is doing. The lone dissenting voice is the opposition. This morning the opposition has again proved how out of date it is. It deserves the condemnation of all Victorians for talking down small business and the vital role it plays in the state's economy.

Hon. M. T. LUCKINS (Waverley) — I am delighted to have the opportunity to answer many of the ludicrous claims made by the Honourable Elaine Carbines. The motion is:

That this house condemns the government for its failure to foster the type of economic and industrial relations environment in Victoria in which small businesses throughout the state can flourish.

The only thing I noted in the comments made by Mrs Carbines contribution that was vaguely correct was the quote from the Victorian Employers Chamber of Commerce and Industry, which was to the effect that small business in Victoria employs 750 000 individuals. There are 225 000 businesses in Victoria, of which 95.3 per cent are small businesses.

Small businesses deserve the respect and thanks of all Victorians because they do the work and take the risk. We must provide the environment in which businesses can excel, feel confident, grow, employ, expand and export. Sadly, over the past year all we have had from the Minister for Small Business is rhetoric. She has simply said, 'Although the government has not delivered, don't worry, it will come'.

Given the wonderful position in which the state's finances were left to the Labor Party when it was elected to government with the assistance of the Independents last year, and given that the taxation take

in Victoria has increased — according to the *Report of the Auditor-General on the Finances of the State of Victoria* of November this year state taxation has increased by \$920 million — we are yet to see evidence of tax cuts to reduce the burden on small businesses.

People who choose to operate their businesses do so because they have confidence in themselves, their expertise and their products. Confidence is the underlying fundamental for small business. It is necessary to encourage investment and growth. These individuals risk their financial security by putting their homes on the line and risk their family security to employ others to contribute to our growth in the state product.

The minister has spoken about reductions in taxation for business, but there has been no talk about reducing payroll tax, land tax, stamp duty or other state charges. Labor is known to consult until it drops, but it does not have the guts to implement measures, either because it is incapable of coming to a decision about what is good for Victoria or is incapable of understanding the climate and the needs of small business.

Small business needs a minister who is a strong advocate for and representative of small business. So far all she has done is fail to represent small business around the cabinet table on Workcover and fail to react to its concerns about the Fair Employment Bill.

I noted by way of interjection during Mrs Carbine's contribution that she did not provide empirical evidence to back up her argument. She referred only to a departmental document. I shall provide the house with details from the Yellow Pages *Small Business Index* on the trends. In August 1999, 54 per cent of businesses in Victoria felt confident; in November 1999 the proportion dropped to 45 per cent; in February 2000, it dropped to 48 per cent; and in May 2000 the proportion of businesses that felt confident about future prospects in Victoria had dropped to 20 per cent.

The minister said things were looking up. I concede that in August 2000 confidence had increased to the dizzy height of 34 per cent. But that is coming from a low base, and any increase will look good. Unfortunately there is further evidence that the small business community in Victoria feels that it is being passed over by the minister and the Bracks Labor government. This is a sad day for the minister because she has had to face the motion and has had to read the *Australian Financial Review*. It is not only opposition members who are talking about how the Bracks Labor government has failed small business and business in

general in Victoria. An article on the front page of the *Australian Financial Review* states:

After a short period of cautious affection, disenchantment, disillusionment and anger are taking over as the sentiments espoused by the big and small Victorian businesses towards Bracks and his ministry of novices.

The article goes on to say that the government when announcing the reintroduction of common-law rights for workers injured at work:

... announced what appeared to be a modest 15 per cent increase in Workcover workers compensation premiums to meet the cost of increased payouts.

...

... a ruckus erupted when thousands of small businesses across the state received letters from Workcover advising them of premium rises of between 30 per cent and 100 per cent.

I have raised many examples of this and the impact it is having, particularly in the manufacturing industry, on business. In my electorate many component and other manufacturing industries say their average Workcover premiums have been increased by 58 per cent. They say if that is the way they are to be treated, with high wage bills, uncertainty and a lack of the support they need from a government that understands what it is trying to achieve, they will be forced to close their doors and go elsewhere. Many firms have already done that this year.

Many jobs have been lost through investors choosing to go elsewhere. Some 8258 jobs have gone interstate because they are not confident about the business environment the government is able or willing to provide. The budget papers refer to approximately \$400 million being provided over two years in tax cuts for business. We have yet to see evidence of tax cuts. The government has now confirmed that it will offer not \$400 million, but \$200 million.

Mrs Carbine waxed lyrical about how the Bracks government has been applauded in country Victoria. An article in the *Herald Sun* of 1 March, entitled 'Confidence takes a dive', states:

Protracted union strife in Victoria has also undermined the business community's confidence in the Bracks government, the Yellow Pages *Small Business Index* found.

The survey of 1200 small businesses nationwide during the past quarter found regional business confidence for the coming year fell to a six-year low, from 27 per cent to 21 per cent.

That is an indictment of the government. There was growth under the Kennett government and a massive reduction in costs to business. Our philosophy has always been to let business flourish. One must create

the environment by reducing taxation and red tape and trust people to run their own businesses. That should be allowed to happen without intervention from the state.

Today a number of references have been made to Workcover. The minister made some false claims about the Workcover arrangements under the previous government. Under the Cain and Kirner governments premiums reached 3.3 per cent of payroll; they are now approximately 1.9 per cent of payroll. Under the previous Labor administration unfunded liabilities of the former Workcare system reached \$2.1 billion.

Honourable members do not have to take my word on those figures. The actuarial review of the Workcover scheme, which was released to the opposition under freedom of information, revealed that the Workcover scheme under the previous government was 93 per cent funded. The review showed that the Workcover scheme was covering its own running costs and it was projected to be fully funded by February 2001. It is now known that that will not be the case by February 2001. The government has opened a Pandora's box with Workcover. It has underestimated the economic impact of the changes to the scheme, and it will force businesses from now on to pay more in Workcover premiums in an effort to cover up its bungled policy decisions.

Reference has been made in the debate to the GST driving down small business confidence. An article in the *Age* of 4 September states that that Victorian small business confidence is the lowest of all mainland states despite rises during the last quarter. The article states:

Consistent with the recent Pitcher Partners survey, the Yellow Pages index recorded a dramatic rise in support for the GST, with 62 per cent of small businesses in favour of the new tax ...

A new tax system is being implemented, but small businesses feel more threatened and challenged by what your government has inflicted on them, Minister.

The DEPUTY PRESIDENT — Order! The honourable member will address her remarks through the Chair.

Hon. M. T. LUCKINS — Victoria has seen an increase in Workcover premiums, industrial relations chaos and electricity blackouts that have cost approximately \$100 billion to business, and now the greatest attack of all — the so-called Fair Employment Bill. It is a disgrace and it will drive down business activity in this state. I thought it would take perhaps three years for the government to start driving the state

into recession, but now I see it happening far more quickly.

Survey data reveals that business confidence is still declining in other areas as well. On 7 June the Australian Bureau of Statistics (ABS) released housing finance figures, and in seasonally adjusted terms the total number of dwellings financed in Victoria had fallen 20.4 per cent in Victoria from 11 740 in October to 9349 in April. That figure was compared with a national fall of 17.6 per cent. Again, Victoria is well behind the rest of the country. That was certainly not the experience under the Kennett government once it cleaned up the mess Labor left in 1992.

ABS building approval figures to May released on 3 July this year showed that the previous steady growth in approvals had halted with a strong decline over the past five months. The Victorian downturn was significantly worse than occurred in New South Wales.

Estimates released by the commonwealth Department of Employment, Workplace Relations and Small Business indicated a massive fall in vacancies in Victoria. According to the latest figures for that quarter, advertising for job vacancies and skilled positions declined by 10.3 per cent in Victoria from August 1999 to August 2000. In contrast, between August 1998 and August 1999 under the Liberal government skilled job vacancies increased by 13 per cent. It is another example of the fact that because of the government's administration, business is not feeling confident to take on employees. Employers do not feel concerned about only their own future; the government has created an environment of such uncertainty generally that employers do not even know whether to continue, whether to make the sacrifices and keep the doors open, or just to close down or move interstate. It is a terrible indictment of the Bracks government.

I turn to the issue of unemployment and some of the promises made by the Labor Party in opposition. The 1999 Labor election campaign brochure states:

A Bracks Labor government will drive Victoria's unemployment down to a rate of 5 per cent by the end of the first term of government.

In the budget in May this year it was found that that promise had been downgraded. Instead of being cut to 5 per cent by the end of 2003, the government promised to reduce the unemployment rate to 6 per cent by 2003. The government has broken yet another promise it made on the run, because it had no idea it would be forming government.

The Minister for Manufacturing Industry made another terrible admission. When the minister appeared before the Public Accounts and Estimates Committee he said that he estimated new investment would fall from \$1.496 billion in 1998–99 to \$1.2 billion in 2000–01. Investment projects under investigation would fall from \$7.662 billion in 1998–99 to \$5 billion in 2000–01. That is the first time there has been confirmation that investment will fall by approximately 20 per cent in the state because of the inaction of the Labor government.

Clearly the Minister for Small Business has been reticent and unable to truly represent the needs and concerns of small business. She made an admission in Parliament that she did not make a formal submission on behalf of small business to the Workcover working party. In an *Age* article of 3 April she admitted that she did not make that submission. She states:

I'll deal with the issue in cabinet.

Honourable members do not know whether the minister put a view to cabinet. Her job as minister is to strongly and publicly advocate for the interests of small business in Victoria. Confidence building in the state and creating a small business environment in which companies and individuals feel prepared to take risks, to expand and to employ people result from the minister going out and publicly batting for small business. The minister has failed to do that. She has failed to do it with the Fair Employment Bill and the provisions that affect small business. The minister has refused to answer any questions on the issue.

Another claim in the article that I find to be absolutely extraordinary concerns the Shop Distributive and Allied Employees Association's log of claims that was before the Australian Industrial Relations Commission. The minister said that she did not want to get involved. She is reported as having said:

We believe in an independent industrial relations system and it's more appropriate for each of the parties to work it out together in that environment.

The minister does not have much faith in employers and employees being able to advocate for themselves. In the past businesses have been encouraged to sit down with their employees and negotiate. They can negotiate more flexible and better conditions and higher wages.

Before I entered Parliament I was an adviser to the Honourable Phil Gude. Everything Labor Party and union members said in the run-up to the introduction of the Employee Relations Act pointed to the end of civilisation as we know it. But the sky did not fall in. Employees and employers were able to properly

negotiate good terms and conditions. Unemployment went down, and gross state product, investment and jobs went up. The former government created an environment in which business could expand, excel and employ. This government has failed to create an environment for small business other than one of uncertainty and confusion. I commend the motion to the house.

Hon. T. C. THEOPHANOUS (Jika Jika) — In the brief time I have to contribute to the debate I will talk about two matters that have been raised — Workcover and the GST.

The measure that has had the biggest impact on small business in this state over the past 12 months — or at least since 1 July, but going well back because of the preparation required — is the GST. Honourable members do not have to take my word for it, they can read the report on the impact of the GST prepared by the Economic Development Committee chaired by the Honourable Neil Lucas. The report says:

'On average' GST compliance costs were approximately \$6000 —

approximately \$6000! —

for small businesses and \$19 000 for medium businesses ...

It went on to say:

... 'the commonwealth government's \$200 voucher assistance package for GST implementation was totally inadequate'.

Small businesses got \$200 out of an average \$6000 and still have the business activity statements to go. No wonder they are complaining! That has been the biggest single impact on small business in this state, and its effects are ongoing. The committee's report also says:

The 'perceived negative effect on profitability of GST compliance costs may have contributed to the closure of some businesses' and that 'the extent of "black-market" transactions involving consumers is likely to increase'.

So much for small business. There will be more black-market transactions and more businesses going broke because of the GST. All this was determined and reported in findings of the Economic Development Committee, which is controlled by the Liberal and National parties. That is what the evidence shows. It is a pity that none of the members who have spoken today are members of the Economic Development Committee. If they were they may have had the honesty to say the committee found the effects of the GST to have been absolutely devastating.

A lot has been said in this debate about the changes to Workcover and its premium structures over a period. However, two important points were left out. During the seven years of the Kennett government the proportion of Workcover premiums paid by small businesses increased from 40 per cent of the total premium pool to 50 per cent of the total premium pool — in relative terms small businesses were paying more. Also during the Kennett government's term of office 30 per cent of small businesses had increased Workcover premiums.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — They do not like hearing these sorts of figures.

The other issue the opposition did not mention is that since coming to office this government has found a black hole in the Workcover system of something in the order of \$600 million. That black hole is a major contributing factor — —

Hon. Bill Forwood — That is a lie.

Hon. T. C. THEOPHANOUS — The black hole has been determined by the actuaries. If Mr Forwood wants to call the Workcover actuaries liars, let him be on the record as doing so. The fact is that the attempt by the previous government to hold premiums down meant they could not fund the system.

In her contribution to the debate Ms Luckins referred to having been on the Gude team in the run-up to the previous election. The major problems small businesses will tell you about if you talk to them are those they are having with apprenticeship training, with getting access to TAFE and with being able to offer on-the-job training. What did this government find when it came to power? It found that the TAFE institutions were in a black hole to the extent of about \$127 million.

Hon. M. A. Birrell — Two black holes.

Hon. T. C. THEOPHANOUS — That is what you did, Mr Birrell. The previous government left a \$127 million black hole in the TAFE sector that this government had to fund. It has not only funded the black hole but has put in a further \$12.6 million to create an additional 17 600 apprenticeships. Additional funds for employment programs amount to something in excess of \$43 million.

Those are the kinds of things this government is doing. The motion shows that the opposition has completely lost the plot and will stay in opposition for a very long time.

Hon. BILL FORWOOD (Templestowe) — I shall briefly sum up the debate. The motion states quite bluntly in part:

That this house condemns the government for its failure to foster the type of economic and industrial relations ...

Opposition members have amply demonstrated exactly that. In return we heard three intriguing contributions — from the minister, from Mrs Carbines and from Mr Theophanous. All of them deliberately failed to address the motion before the house. All of them tried hard to divert attention completely away from the responsibilities of the government.

That will not do. You know that the reason you attempted to divert everything away from the motion before the house today is that what it says is absolutely true.

House divided on motion:

Ayes, 27

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

Noes, 14

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

Motion agreed to.

Sitting suspended 1.05 p.m. until 2.07 p.m.

QUESTIONS WITHOUT NOTICE

Sport: major event funding

Hon. I. J. COVER (Geelong) — On 4 November last year — more than 12 months ago — the Minister for Sport and Recreation advised the house that the government was reviewing finances for major events.

Has the review been completed? If so, what is the outcome?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The house may be aware that the major events that come to Melbourne have a significant economic impact. Following my announcement the other day, the government is keen and eager to retain those events and will continue to pursue their development.

The Honourable Ian Cover may be aware that the government has made an announcement in relation to major events. Given their strategic nature, the fact that other states may want to purchase them and contractual issues, a cap has been placed on the events. Mr Cover has asked questions in the house about issues surrounding some of those events and the cost to the government. Although the government is not underestimating the value of major events it is ensuring that the public is aware of the cost to Victoria. The government is confident that Victoria can retain and further develop those events but it has put in place a cap of \$40 million to ensure there is total confidence in the process under which those events are courted and retained.

Hon. I. J. Cover — On a point of order, Mr President, my question was specific and related to the review of all finances for major events. The minister has not addressed the specific nature of my explicit question.

Hon. J. M. MADDEN — On the point of order, Mr President, I believe I have been responsive to the honourable member's question.

Hon. M. A. Birrell — On the point of order, Mr President, the question was specific and referred to the fact that on 4 November last year the Minister for Sport and Recreation advised the house he was reviewing all finances for major events. The shadow minister asked whether the review has been completed. If it has he wants to know the outcome. The minister's answer did not even refer to the review let alone whether it had been completed or its outcome. The minister's answer was not responsive to the question, which concerned the review and not the general topic of major events.

Hon. T. C. Theophanous — On the point of order, Mr President — —

Honourable members interjecting.

Hon. T. C. Theophanous — I have the 3AW prize! I listened to the minister's response to the question. His

answer was about the finances and he provided figures. The question was about the finances associated with the review and in that sense — —

Honourable members interjecting.

Hon. T. C. Theophanous — It was. In that sense the minister responded to the question. The honourable member was attempting to gain information about the finances.

The PRESIDENT — Order! My ruling is that the Minister for Sport and Recreation has not responded to the question. He certainly mentioned figures and said there was a limit of \$40 million on the program but that was not the question. The minister is bigger than I am and I cannot make him answer the question. However, I can rule that he has not answered it.

Hon. J. M. MADDEN — I am happy to elaborate on my remarks if it will assist honourable members opposite. The terminology used by the opposition was interesting. There is a difference between reviewing and a formal review.

Opposition members interjecting.

Hon. J. M. MADDEN — As I indicated — —

Honourable members interjecting.

The PRESIDENT — Order!

Hon. J. M. MADDEN — If honourable members opposite want to listen to the answer they can. Their points of order asked me to elaborate. I am attempting to do so, but they are not listening.

As the events were referred to the groups that assessed them they were reviewed. From that process a cap was allocated to major events in Victoria. I believe I have been responsive in every way to the question.

Street Life program

Hon. T. C. THEOPHANOUS (Jika Jika) — Can the Minister for Small Business inform the house of any recent developments with the Street Life program and how they reflect the government's commitment to support and promote small business through its Showcasing Small Business strategy?

Hon. M. R. THOMSON (Minister for Small Business) — I am pleased to announce that a second year of funding has been allocated to the \$1-million Street Life program. That will assist local economies and boost job growth by encouraging small business success. Originally the program was within

Employment Victoria but it has now been moved across to Small Business Victoria as part of the Department of State and Regional Development and forms part of the Showcasing Small Business strategy. It will be able to work more closely with the other programs of business development and advice the department offers by way of assistance to businesses.

The current Street Life program reflects the broader objectives of the Bracks government for the delivery of the program. It was previously targeted at the retail sector, but has been broadened to encompass other small businesses involved in contributing to the life of local communities. In particular, the Street Life program will give increased support towards revitalising country towns that have suffered from the loss of banks, post offices and centralisation to large business centres.

A total of \$430 000 matched funding is being provided to 30 organisations that this year will deliver new local strategies to small businesses in more than 120 Victorian communities. The government will also expand the delivery of training and regional workshops into some isolated areas to enhance the program — another way the Bracks government is building a better environment to enable Victoria's small business sector to be successful.

Youth: program linkages

Hon. M. A. BIRRELL (East Yarra) — My question is directed to the Minister for Youth Affairs. Prior to the election the ALP promised it would establish a specialist youth employment line backed up by referral to appropriate government departments and local agencies. It said it would spend \$5.25 million, starting in 1999–2000. Can the minister indicate whether the government is implementing or abandoning that policy?

Hon. J. M. MADDEN (Minister for Youth Affairs) — As the honourable member will be aware, the Office for Youth has been established. Also, a web site is being established around the Office for Youth that will be a whole-of-government link for youth services within the various portfolios of respective ministers. That will link directly to each portfolio and those programs, whether they be employment, health, Aboriginal affairs or any other portfolio. One being established is the line of communication that Mr Birrell mentioned; it is in the process of being established along with the whole-of-government links in relation to the Office for Youth.

Ausmelt: Chinese contract

Hon. E. C. CARBINES (Geelong) — Will the Minister assisting the Minister for State and Regional Development advise the house of the further recent success by a Victorian business in supplying its smelting technology to a company in China?

Hon. C. C. BROAD (Minister assisting the Minister for State and Regional Development) — Ausmelt, a Victorian company based in Dandenong, yesterday announced it had signed an agreement with a company called Anhui Tongdu Copper Stock Company (ATC) which is one of the largest producers of copper metals in the People's Republic of China. The ATC contract is worth about \$6 million to Ausmelt and is the company's second-largest contract to this point. It will generate additional employment particularly in contract engineering and drafting.

ATC, as part of the contract, will modernise its smelter in Jinchang Province using Ausmelt's technology to treat some 330 000 tonnes of copper sulphide concentrates. This is the third project for Ausmelt in China and it follows the recent announcement by Ausmelt of a contract to supply equipment to South Africa that was originally estimated at about \$6 million but which has now increased to about \$11 million as a result of additional agreements with another South African firm, the Anglo–American Platinum Corporation.

Ausmelt is now confident that the market fully accepts its technology as being fully commercialised and as the market leader around the world. Its technology provides not only significant economic benefits but also significant environmental advantages compared with conventional smelting technology. The environmental advantages of the Ausmelt technology are attractive to modernising the Chinese — —

Hon. N. B. Lucas — On a point of order, Mr President, the house is hearing about exporting technology to China; that is great for Victoria. But I wonder what that has to do with government business. I have been listening carefully but the minister has not identified anything the government has done about the project. Question time has to do with matters of government administration, but the minister has not mentioned that. The minister should be ruled out of order.

Hon. C. C. BROAD — On the point of order, Mr President, as the Minister assisting the Minister for State and Regional Development, with specific responsibility for environmental industries, I can say

that the promotion of such industries is very much the responsibility — —

Honourable members interjecting.

Hon. C. C. BROAD — Even if the opposition would prefer not to hear about the news, the government has given and will continue to give significant support.

Honourable members interjecting.

Hon. C. C. BROAD — If I may continue, Mr President, after you rule on the non-existent point of order, perhaps I could get around to explaining — —

The PRESIDENT — Order! Part of the charter of a minister responsible for state and regional development is to promote Victoria. The minister is advising the house of a successful Victorian industry that has been in Dandenong for a number of years. Normally such news would be accompanied by a statement of what the government has done such as an incentive to help the process. Honourable members who recall what happened or have read the Howe Leather case will know the problems of governments publicising what they do in that regard. I do not uphold the point of order and I will allow the minister to complete her answer.

Hon. C. C. BROAD — I will continue, even though the opposition would prefer me not to. This is an example of a successful Victorian industry exporting its technology to the rest of the world. That does not suit the opposition because it wants to talk down the Victorian economy.

Honourable members interjecting.

The PRESIDENT — Order! The minister has finished her answer.

Fuel: prices

Hon. PHILIP DAVIS (Gippsland) — The Minister for Consumer Affairs has been vocal in expressing concern about the effect on consumers of rising fuel prices. Will the minister consider adopting the Queensland government's approach of rebating the approximate 8 cents per litre equivalent of state franchise fees received from the goods and services tax revenue from the new tax-sharing agreements?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I have stated the government's position on fuel prices at length in this house. The government will maintain the position that fuel prices are appropriately the responsibility of the federal government. On

numerous occasions the government has called for the federal government to deal with the issue of the fuel excise by imposing an immediate freeze on passing on the consumer price index increase in February and to discount the price of fuel — —

Honourable members interjecting.

Hon. Philip Davis — On a point of order, Mr President, I asked about the Victorian government's policy on adopting an arrangement contemporaneous to the arrangements that exist in Queensland where 8 cents per litre is rebated on a wholesale basis from GST revenue. I asked whether the minister considers that an option. The minister has not addressed that question at all.

The PRESIDENT — Order! Has the minister finished answering the question?

Hon. M. R. THOMSON — Yes.

Honourable members interjecting.

The PRESIDENT — Order! I am sure the Honourable Dianne Hadden has an interesting question for the house.

Public sector: enterprise agreement

Hon. D. G. HADDEN (Ballarat) — Will the Minister for Industrial Relations advise the house of the outcome of the ballot of public servants on the new enterprise agreement negotiated between the Bracks government and the Community and Public Sector Union?

Hon. M. M. GOULD (Minister for Industrial Relations) — The ballot for the section 170LJ agreement between the Victorian state government and the Community and Public Sector Union closed on Friday of last week. I am pleased to note the strong turnout for that ballot. The government and unions were very confident of a solid vote in support.

The results were 8942 yes votes and 485 no votes. In other words, those who voted showed overwhelming support for the certification of the agreement. That agreement is now listed with the Australian Industrial Relations Commission for certification next Monday.

The public service-wide agreement will regulate the terms and conditions of 20 000 non-executive public servants across 23 different government agencies and departments. The single agreement shows a new partnership between the government and the Victorian

public service, which is one of the largest ever, and encourages cooperation and good working relationships. The agreement marks an end to the divisive Australian workplace agreements that the previous government forced upon public servants. The government looks forward to the certification of the agreement on Monday and a great ongoing working relationship with its public servants.

Fuel: prices

Hon. E. J. POWELL (North Eastern) — Given the recent passage of the Petroleum Products Bill, which will impose new regulations on the Victorian petroleum industry, will the Minister for Consumer Affairs advise the house of her department's estimation of the loss of revenue to Victoria because of the number of distributors and other major petroleum users who have indicated that they will source their fuel from other states in the future?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The bill that was recently passed should have no impact on the way fuel is priced in Victoria other than to ensure that pricing is open and transparent. The government believes the bill will enable oil companies to continue to refine and produce their oil and sell it on the same basis as in the past. When developing regulations the government will continue discussions with the industry to ensure that openness and transparency occurs.

Hon. E. J. Powell — On a point of order, Mr President, my question was not about the impact of pricing but about the impact of loss of revenue.

The PRESIDENT — Order! The minister has indicated she has completed her answer.

Young Achievement Australia

Hon. KAYE DARVENIZA (Melbourne West) — I ask the Minister for Small Business to inform the house of any progress on the government's support of the Young Achievement Australia program.

Hon. M. R. THOMSON (Minister for Small Business) — I have spoken in the house before about Young Achievement Australia and the government's increase in funding of \$50 000 for that organisation to conduct 10 more regional-based programs. Last Saturday I was pleased to attend the awards night of Young Achievement Australia. I congratulate the organisers for a very successful year with the creation of 85 student companies to benefit 1800 students.

The winning company of the year in the secondary area was Nebulya from St Albans. The company of the year in the tertiary area was Pyaneer from Holmesglen. The business person of the year in the secondary area was Sarah Speight from Wheelers Hill Secondary College, and the business person of the year in the tertiary area was Owen Cope from Monash University. Those people will go on to represent Victoria at the national awards later this month.

The program is aimed at helping secondary and tertiary students to experience business operations, from the sale of shares to manufacturing and marketing products. They involve secondary and tertiary students as well as indigenous young people and students who are not in full-time study or full-time employment.

Youth: round table program

Hon. A. P. OLEXANDER (Silvan) — I direct to the Minister for Youth Affairs a question about the establishment of the Victorian youth rounds tables, which are purportedly designed to allow a wide variety of young people from across Victoria to have a direct input into government policy and new issues. Is it not a fact that more than two-thirds of the schools providing participants for the round tables come from Labor electorates? In light of that, will the minister assure Parliament that the round tables are not designed to rubber-stamp Australian Labor Party government policy initiatives and that no round table participants are selected on the basis of their connections with members of the government or the Australian Labor Party?

Hon. J. M. MADDEN (Minister for Youth Affairs) — I find that question absolutely startling because the former government's version of the round table was highly selective and very much proved ineffective as government policy. It ended up being a photo opportunity for the vast majority of the then members of the government.

The honourable member may not appreciate — although he should and so should the opposition — that the critical issues with which the government deals at most of the round tables may no doubt have an impact on some of the Labor electorates because they were probably the most neglected electorates under the previous government. If inadvertently there is a larger number of people from Labor electorates that is not because they have been nominated or designated. It is because there are probably problems in those areas that are specific to the round tables.

Honourable members interjecting.

Hon. J. M. MADDEN — The opposition does not want to hear about it.

The PRESIDENT — Order! The government is not helping the minister and neither is the opposition, and *Hansard* cannot hear; so everyone is missing out.

A government member interjected.

The PRESIDENT — Order! The Leader of the Government was adding her bit. I suggest the minister now finish his answer.

Hon. J. M. MADDEN — Nominees for the round table come from a cross-section of areas, ranges and schools, and a cross-section of youth sector organisational nominating groups. There is no particular focus on electoral boundaries. Unfortunately — the opposition still does not appreciate this — the critical issues being dealt with by the youth round tables have been impacted on in specific regions, and that is where we are drawing many representatives. It does not matter whether the round tables deal with training and education, drugs or other core issues that are critical to young people, the government is hearing what young people have to say, as opposed to the opposition, which gave them only token recognition and provided no services for young people directly because the former government had no Office for Youth.

Reservoir: recreational facility

Hon. G. D. ROMANES (Melbourne) — Will the Minister for Sport and Recreation advise the house how the Bracks government is providing greater opportunities for participation in sport?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Last Friday I officially opened the Leamington Street netball courts redevelopment at Edwardes Lake Park in Reservoir. This is a significant facility for a number of reasons. It originally consisted of seven outdoor bitumen netball courts with competition lights and an old sports pavilion. The courts, unfortunately, were originally built on an old landfill site which was constantly subject to subsidence, flooding, potential risk problems and ongoing maintenance concerns.

The users of the netball courts, the Preston Netball Association, moved to the Darebin Community Sports Stadium, reflecting the trend of netball moving to indoor facilities. I congratulate the City of Darebin for redeveloping those netball courts, focusing on informal recreational opportunities for young people.

What needs to be considered is that young people often enjoy and prefer informal recreational opportunities. This site provides a broad choice of informal recreational activities, including a rebound wall for ball games, such as tennis; a basketball backboard and hoop; a skateboard skills ramp; netball goal posts; and lines painted for a whole range of games played on those bitumen surfaces. The area has been boosted by considerable tree planting and the construction of seats, so there is the ability for young people to ‘hang out’ while also engaging in recreational opportunities.

Sport and Recreation Victoria has assisted in contributing \$50 000 towards the project’s total cost of \$120 000. I congratulate members of the working party on the level of consultation with the community and user groups. I also congratulate the City of Darebin on initiating a model framework for young people to engage in informal recreation.

QUESTIONS ON NOTICE

Answers

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

That so much of the standing orders as require answers to questions on notice to be delivered verbally in the house be suspended for the sitting of the Council this day and that the answers enumerated be incorporated in *Hansard*.

The question numbers are: 841, 918, 1046, 1063, 1100, 1102, 1104, 1109–10, 1130, 1167–8, 1174, 1176, 1192, 1202, 1207–9, 1222, 1233, 1236, 1245–6, 1252, 1264, 1266, 1277, 1285, 1319–20.

Motion agreed to.

MARINE (AMENDMENT) BILL

Second reading

Hon. C. C. BROAD (Minister for Ports) — I move:

That this bill be now read a second time.

This bill provides for improved marine safety in Victoria through the introduction of licensing for operators of registered recreational vessels. The bill implements the government’s explicit election policy commitment to introduce licensing for operators of personal watercraft (PWCs) and extends the initiative to include operators of all registered recreational boats.

Boat operator licensing

Following a fatal accident involving a personal watercraft at Werribee in February 1995, the Marine Board of Victoria (MBV) conducted an investigation and recommended the introduction of licensing for operators of mechanically powered recreational boats.

A number of coronial reports in recent years have also recommended the introduction of licensing following boating-related fatalities.

Since 1989–90, there have been 120 recreational boating fatalities, of which 4 have involved PWCs. In 1999–2000, a total of 853 incidents were reported to the police. These incidents resulted in 10 fatalities and 22 serious injuries involving recreational boats, representing an estimated cost to the community of \$15.5 million.

Licensing will contribute to improved marine safety by ensuring that operators will have to demonstrate a basic knowledge of water rules and safe boat operation. In addition to improving the competence of operators, licensing will ensure that unsuitable people are not permitted to operate; contribute to improved awareness of safe boat operation; and assist law enforcement and accident investigation.

The majority of Australian jurisdictions, with the exception of Victoria, Northern Territory and Western Australia, already require operators of recreational boats to be licensed. The licensing scheme put forward in this bill is consistent with principles and competencies adopted by the National Marine Safety Council and will promote the broad objectives of national consistency and mutual recognition of marine qualifications across jurisdictions.

The bill applies licensing to all operators of registered recreational boats, defined in Victoria as any boat equipped with an engine that is used or is capable of being used for propulsion. This approach is considered the simplest to communicate, enforce and administer and mirrors vehicle driver licensing arrangements under which a licence is required to drive any registered vehicle.

Based on a population of 131 000 registered recreational boats in Victoria, the total potential operator licence population is estimated at around 250 000. An estimated 10 000 of these would be PWC operators.

The bill provides the marine board with the power to grant a licence to a person who has passed an

appropriate test, undergone appropriate training or already holds a relevant marine qualification.

Knowledge tests are proposed as the basis for licence testing in Victoria, as they are readily accessible and easily administered, particularly in computer-based forms. The format would be similar to the knowledge test for driver licences and would take about 20 minutes to administer and complete. Applicants would also be encouraged to gain their licences through satisfactory completion of an approved boat training course.

The bill establishes two categories of licence, a general operator licence, which authorises the licensee to drive any registered recreational boat, except a PWC, and a restricted operator licence, which applies restricted conditions to young operators aged more than 12 years and less than 16 years.

In the case of PWCs, the bill requires that a specific licence endorsement be obtained subject to the applicant satisfying certain additional requirements established by the Marine Board.

The bill provides the Marine Board with adequate powers to properly administer the licensing scheme, including powers to cancel, suspend or vary licences and vary or revoke PWC endorsements. To ensure consistency with the Road Safety Act, the bill provides for external appeals to be heard through the Magistrates Court.

The bill establishes an appropriate offence and penalty regime which adopts as far as practicable the framework that exists in the Road Safety Act. However, a demerit points system is not proposed at this time as it does not appear to be justified in terms of the current level of repeat offences and the cost of systems development and administration. A zero blood alcohol requirement is proposed for all licence-holders under 21 years of age.

The bill provides for the staged implementation of the licensing scheme with operators of PWCs and young operators aged between 12 and 21 years to be licensed first, followed by other operators. It is proposed that by 1 January 2003 the act will apply to all Victorian operators.

The bill establishes a transitional period for over 40 000 Victorians who currently hold operator licences issued by other states, primarily New South Wales. These operators will be required to convert to a Victorian licence on expiration of their current licence or after three years of the commencement of licensing in Victoria, whichever is the earlier. No further testing will be required on conversion of an interstate licence. At the end of the three-year period the one licence, one

operator principle will apply, consistent with national principles that apply to driver licences.

Section 85 statement

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section by this bill.

Clause 20 of the bill inserts a new section 107AA into the Marine Act 1988 which provides that it is the intention of section 120 of that act to alter or vary section 85 of the Constitution Act 1975. Section 120 is being inserted into the Marine Act 1988 by clause 22 of this bill.

The proposed new section 120 reflects section 27 of the Road Safety Act 1986. Section 120 enables the Marine Board to require a licence-holder or an applicant for a licence to undergo certain tests. These tests will enable the board to find out if the person is unfit to operate a powered recreational vessel or if it would be dangerous for them to operate such a vessel. Consistent with the Road Safety Act, the section contains two statutory immunities that prevent certain persons who advise the board from being sued, including by an action commenced in the Supreme Court. As a result of these immunities this section is the subject of a statement pursuant to section 85 of the Constitution Act.

These immunities are considered appropriate and necessary in the circumstances. If the Marine Board is going to properly perform its safety function, it needs to be provided with relevant information so that it can prevent persons who are dangerous or unfit to operate powered recreational vessels from doing so. It is essential that persons who have relevant information can make full and frank disclosures to the board. First, subsection (4) protects persons, such as medical practitioners, who conduct the relevant tests and then advise the board of their opinion. Persons who conduct these tests should be free to advise the board honestly of their opinion without the fear that in doing so they expose themselves to the risk of being sued. Secondly, subsection (5) protects persons who in good faith report information which discloses or suggests that a person is unfit to operate a powered recreational vessel or that it may be dangerous for that person to hold a licence. This provision will enable persons, such as a concerned family member or friend, to warn the board if they think it is dangerous for someone to continue operating such a vessel. Those who disclose such information will be protected from being sued providing they have acted in good faith.

Fee revenues

The bill provides for the Marine Board to charge fees for the sitting of tests and the issue of operator licences. It is proposed that the fees be set through regulations to cover administration and operational costs plus generate surplus revenue.

The proposed charges are similar to interstate rates. Subject to the outcome of the regulatory impact process, it is proposed that the licence testing fee will be set at a flat rate of \$20 per test. The fee structure for licence issue will be \$25 per annum for a general operator licence and \$30 per annum for a general operator licence with PWC endorsement. It is proposed to set fees for restricted operator licence issue at half these rates. Licences will be issued for 1, 3 or 5 years at the request of the applicant.

It is further proposed to utilise surplus licence revenue to establish a five-year boating safety funding program, which will directly contribute to the objective of improving recreational boating safety by directing additional funds to meet demonstrated needs for:

- the provision and support of boating safety services;
- boating safety training, education and promotion; and
- the provision and maintenance of safe boating facilities

Program expenditure will commence at \$2 million in the first year and rise to \$4 million in the fifth year. This represents a substantial increase in existing expenditure levels and will allow a greater range of safety initiatives to be funded. The program will be reviewed at the end of the fourth year to determine its effectiveness and future arrangements.

While the bill sets out the framework for the licensing scheme, much of the detail will be contained in regulations to be developed subsequently. The government is committed to a full process of consultation with the boating and general community during the preparation of these regulations.

Hire and drive vessels

Hire and drive vessels are classified as commercial vessels and are surveyed annually against specified safety standards. Although hire and drive vessels are used for recreational purposes they are not registered as recreational vessels and operate under separate regulatory arrangements. As such they do not come within the scope of the licensing scheme proposed here.

While the uncontrolled use of hire and drive vessels by unlicensed operators would lead to safety concerns under the new scheme, restricting their use to licensed operators only would be likely to have an unintended adverse impact on the hire and drive industry. This would be particularly so in relation to use of hire and drive vessels by visitors to Victoria.

It is therefore proposed to develop separate regulatory arrangements which are more appropriate to the industry but which also maintain safety objectives consistent with those for licensing. These arrangements will be developed by the Marine Board in close consultation with the hire and drive industry over the next 12 months with a view to their implementation following the full introduction of licensing for operators of registered boats.

I commend the bill to the house.

Debate adjourned on motion of Hon. PHILIP DAVIS (Gippsland).

Debate adjourned until next day.

BUILDING (LEGIONELLA) BILL

Second reading

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

That this bill be now read a second time.

I am very pleased to present this bill today as it represents a major initiative to reduce the incidence of legionnaire's disease in Victoria and a significant indicator of progression in community and workplace health and safety initiatives.

The bill amends the Building Act to strengthen the controls and maintenance standards for the use of cooling tower systems in buildings and industry and to provide a basis for information and education programs to be provided to property owners and business sectors which have responsibilities for cooling tower systems.

The government has recognised the significant level of community concern about the public health risks arising from legionella infection. This bill is part of a well-balanced package of reforms, which aims to ensure that cooling tower systems are managed in a way which minimises risks to the public and to employees.

The bill aims to assist the owners of land on which cooling towers exist to ensure that risks to public health

are minimised. Many owners are concerned to operate their systems safely and need advice and assistance to do so. The Department of Human Services, the Building Control Commission and the Plumbing Industry Commission will continue to work with industry to develop new strategies for better management of the risk of legionella infection.

The bill has been developed with considerable input from industry and business sectors, initially through the Legionella Working Party report to government that formed the basis of the overall reform strategy and subsequently through various consultative initiatives.

This bill places Victoria as the leading state in public health initiatives in regard to the reduction of the incidence and impact of legionnaire's disease.

Cooling tower systems are generally associated with building airconditioning systems or industrial plant where the cooling of heat exchange processes occurs.

The bill regulates those cooling tower systems which use fans in combination with recirculated water because these can produce aerosols, which carry the legionella bacteria.

There are estimated to be approximately 3500 sites in Victoria that accommodate an estimated 5000 cooling tower systems. Some of those cooling tower systems may contain more than one cooling tower. There are estimated to be approximately 10 000 cooling towers in Victoria.

The reported incidences of legionnaire's disease in Victoria have risen from 13 in 1990 to 64 in 1999 and 215 this year. Increases in other states have also been observed.

Currently there is no database of information on the location of cooling tower systems in Victoria, making it very difficult to investigate the source of outbreaks of legionnaire's disease.

This, coupled with the fact that disease symptoms generally appear five to six days after infection and also often include mental disorientation of sufferers, has made it very difficult to effectively locate and control the legionella bacteria in cooling tower systems.

The registration system established by the bill will ensure that all relevant cooling tower systems in Victoria are identified.

The bill places the onus for meeting its obligations and requirements on the owner of the land on which a cooling tower system is operated. This is consistent

with other obligations presently imposed under the Building Act.

In summary, the bill contains the following elements:

all cooling tower systems on buildings and work sites in Victoria must be registered with the Building Control Commission;

a risk management plan must be completed for all cooling tower systems which identifies the risks associated with the use of the system, and sets out the steps to be taken to manage those risks and to ensure compliance with the requirements imposed under the Building Act and the Health Act;

the risk management plan must be reviewed and audited annually to ensure that it continues to be effective;

risk management plans and maintenance documentation must be kept on site;

auditors will be accredited to ensure that a fair and consistent standard of auditing is applied across Victoria;

a system of improvement notices and penalties for failure to comply with the provisions of the bill is introduced.

The bill will require the owners of land on which a cooling tower system is located to provide information about that system. This will involve details about the business owners and maintenance contractors where applicable, the location of each cooling tower within the system, the use to which the system is put and details of treatment.

The register will also enable technical and advisory information and education programs to be targeted to people with responsibility for cooling tower systems.

The Building Control Commission will administer the cooling tower system register, which will assist in identifying the location of cooling towers in future investigations of legionnaire's disease outbreak.

The register of cooling tower systems will be accessible to the Department of Human Services not only to assist with its disease outbreak investigations and random inspections but also to the Victorian Workcover Authority for work site investigations, the Plumbing Industry Commission and municipal councils.

The requirement to register contained in the bill will be phased in over a six-month period to allow a reasonable time for all business sectors to comply. There will also

be a targeted awareness campaign to ensure that owners of cooling tower systems will have sufficient information to enable them to meet the new requirements.

Property owners will have responsibility for ensuring the development of risk management plans within their property management arrangements to ensure that there is a traceable and accountable system in place.

A comprehensive kit containing information on risk management plans, including models for maintenance programs, will be developed by the public health division of the Department of Human Services, in consultation with the Building Control Commission and the Plumbing Industry Commission, and made widely available to property owners. Guidelines on the appropriate selection of water treatment companies will also be provided.

The bill provides that risk management plans will need to be reviewed and updated prior to the renewal of registration to ensure that maintenance programs remain relevant and continue to address the identified risks.

Property owners must also make provision for risk management plan documentation to be audited annually by an independent accredited auditor to ensure that the plan is being implemented and maintenance programs are accounted for.

It is envisaged that the initial work force for the audit function will comprise building surveyors and environmental health professionals.

Other professional and relevant industry groups associated with cooling tower systems will also be able to be included in the audit work force and opportunities for accreditation arrangements will be set up.

The bill provides that where an auditor finds that a risk management plan is defective, or is not being implemented, the auditor must include the reasons for that finding within an audit certificate. These details will be forwarded to the property owner and to the Secretary to the Department of Human Services.

The bill also gives authorised officers of the Department of Human Services authority to issue improvement notices to property owners if risk management plans are not adequate.

The bill provides that the costs of the register and other enforcement and educational activities concerning cooling tower systems will be raised by revenue derived from registration fees.

The government's reform package also provides for an enhanced technical advisory and support function at the Department of Human Services.

This will provide a valuable resource to industry and business through the publication of guidelines and pamphlets and risk management kits.

As part of the overall reform package new regulations will be introduced under the Health Act which impose tighter maintenance and testing standards with respect to cooling tower systems. These measures will be reflected in the core elements of the risk management plan. New building and plumbing regulations will also be introduced under the Building Act. These regulations will all be subject to the usual consultation requirements.

The overall cost to industry from the requirements imposed by this bill are estimated to be a once-off cost of \$2.5 million and a recurrent cost of \$2.4 million per annum.

These costs to business are necessary and reasonable to achieve community expectations of safety from the recognised public health risk posed by legionella.

It is important to recognise the benefits associated with the bill.

The impact of legionnaire's disease will be greatly reduced through this bill. The initiatives will contribute to associated reduction in deaths, illnesses, stress and anxiety, medical costs and lost productivity.

There will be an enhanced ability to trace possible sources of outbreaks through the register of cooling tower systems. The register will streamline and simplify the task of locating towers that are potentially the source of outbreaks of legionnaire's disease. This will mean that outbreaks can be brought under control more rapidly.

This in itself may contribute to a reduction in the number of cases of legionnaire's disease through a rapid response to eliminate the hazard.

The risk management-based approach to maintenance programs will assist industry to contain costs relative to risk and avoid unnecessary expenditure to business.

I would like to thank the many people who have contributed to the development of this bill, in particular the members of the working party which was established last November, chaired by Associate

Professor Christopher Fairley of the Monash medical school.

I commend the bill to the house.

**Debate adjourned on motion of
Hon. P. A. KATSAMBANIS (Monash).**

Debate adjourned until next day.

FISHERIES (AMENDMENT) BILL

Second reading

**Debate resumed from 14 November; motion of
Hon. C. C. BROAD (Minister for Energy and Resources).**

Hon. PHILIP DAVIS (Gippsland) — It has become a tradition of this house to have a Fisheries (Amendment) Bill every parliamentary sessional period, at least while I have been a member. This sessional period is no different. While the volume of amendments in this bill is limited, their substance is significant, although I do not think extensive debate will be required, except to make some important points about the impact of the proposed amendments, particularly on the commercial fishing sector.

Significant issues have been raised with the opposition concerning changes to licence costs and the proposals to amend quota licensing arrangements. They are issues that go to the heart of the economic viability of commercial fishing operations.

Victoria's commercial fisheries are significant. The present value of the commercial sector fishery indicates that the abalone fishery, which is the highest value commercial fishing sector, had an average value over the five-year period from 1994 to 1999 of \$42.5 million per annum with 71 licence-holders. The rock lobster industry has 160 licence-holders and an average value of \$15.4 million. The bay and inlet fishery has been valued at an average of \$4.9 million, with the inland fishery at only \$.7 million.

Importantly the bay and inlet fishery has been substantially restructured and although the bill does not directly allude to that fishery, it deals with the financial arrangements that have enabled that restructure. It deals with the revenue coming from the recreational fishing licence, which has advanced the prospect of restructuring the bay and inlet fisheries. Earlier today I picked up issue no. 1 of *Fins*, the journal of Fisheries Victoria. It is a fine publication.

Hon. G. R. Craige — Be careful!

Hon. PHILIP DAVIS — I must give credit where credit is due. I am not sure when the first edition was released. I noticed I was not on the mailing list but I was handed a copy by an interested fisherman who said it was a useful publication.

Naturally on the opening page is the mandatory photograph and note from the Minister for Energy & Resources welcoming the publication of the document. As I read through it I thought it was great that the minister was loudly proclaiming the successes of her predecessor. Most of the publication comprises reports on outcomes of processes that were put in place by the previous government. I look forward to future editions and the promotion of achievements in fishery management under the stewardship of the Bracks government, because if it can even partially match the outcomes represented in edition no. 1, there will be something for the government to promote itself about to the community on fishery management.

I noted that some of the articles referred to developments in commercial aquaculture production, and in particular abalone production, which, as I said, are outcomes of processes put in place by the previous government. Many references are made to the introduction of the recreational fishing licence, to the extent that I was almost embarrassed by its success. As one headline states, the public embraces the RFL.

That great initiative of the Kennett coalition government was implemented with resounding success, so much so that the New South Wales Labor government has recently announced that it will introduce RFLs on the Victorian model for the same objective. On 3 October New South Wales Minister for Fisheries, Eddie Obeid, announced that the RFL would be implemented and that the fees would go to a trust dedicated to improving recreational fishing for New South Wales anglers. The bulletin states:

Under this policy, proposals for the creation of recreational fishing areas will be invited from the community.

If the community believes adjustments to commercial fishing would benefit their local areas and improve recreational fishing, the trust can be asked to pay commercial fishers for their licences.

That resonates with me because essentially that is the model the former Victorian government introduced. The former Minister for Natural Resources, the Honourable Geoff Coleman, introduced the Fisheries Act in 1995. The Minister for Agriculture and Resources, the Honourable Pat McNamara, then proceeded to develop the proposal for recreational fishing licences. Those initiatives were implemented by the previous government.

I am pleased to see acknowledgment of the achievements in the first edition of the publication. However, I am disappointed that there is no reference to the previous government; the journal is written as if it were an achievement of this government. Further, the document deals with a number of other issues that are worth noting, including references to the Victorian aquaculture strategy and the acknowledgment that development of a yabby aquaculture industry is important. That issue was driven hard under the aquaculture strategy of the previous government.

I note the recognition of the buy-out of the scallop fishery in Port Phillip Bay by the previous government, and some articles refer to the bay and inlet commercial fishery buy-out, which I will discuss in more detail. Before doing so I note an article on Fishcare, a program initiated by the previous government in 1995. At page 15 the article states:

The Fishcare volunteer program was established in Victoria during 1995 following a pilot program in the Gippsland Lakes area of eastern Victoria. Its objective is 'to foster a concept of stewardship and personal responsibility by Victorian recreational fishers towards the aquatic environment'.

It is a matter of pure coincidence that I launched that pilot program at Lakes Entrance. It was an important program because it captured the imagination of the Gippsland Lakes recreational fishermen and it has now developed into a statewide effort. I encourage the government and the minister to support that program.

I turn to the issue of the recreational fishery licence fee, the proceeds of which, as I said, have enabled a restructure of the bay and inlet fishery. Partly because of the tension that inevitably and always exists between recreational and commercial fishermen where they coexist and as a result of strong representations over a long time from recreational fishers, the peak recreational fishing body, VRFish was formed in 1995. Representations are made through VRFish to the government. A reference was provided to the Fisheries Co-Management Council, which was established by the previous government, to examine the issues and make recommendations with regard to implementing the RFL and then implementing any sort of adjustment in respect to the bay and inlet fishery. The council recommended implementing a voluntary commercial licence buyback within the bay and inlet fishery, and the result was significant in that there were 208 licences in existence. Some 108 of those licences were bought back under the scheme, leaving 100 licences still in place. The buyback program involved 61 full-time, 20 part-time and 27 little or no latent effort licences.

There is no question that the Victorian initiative has been a success, as is recognised in *Fins*, the journal of Fisheries Victoria. The last paragraph on page 15 of the article headed 'Bay and inlet waters licence buy-out' makes a significant acknowledgment of the achievement of that process. It states:

For now, though, Victoria can bask in the glow of one of Australia's most successful, and least litigious, fishery restructures. Everyone wins.

In recognition of that success I acknowledge the contribution of many people, and in particular the extraordinary effort of members of the Fisheries Co-Management Council. Trying to find a compromise in the adjustment process was a very time-consuming task. Officers of the fisheries division were also involved, especially in discussions and consultation on trying to determine a fair and equitable payment for each of the classes of licence to be bought back. There was an enormous amount of input, and goodwill was demonstrated by all fisheries stakeholders, both recreational and commercial.

That indicates that co-management is a significant principle that should be further developed, and that can be done only when those actively involved in the processes make a real commitment to and demonstrate that outcomes can be achieved by conflict resolution. The objective was to resolve a lot of the conflict between recreational and commercial fishers, and that outcome has been achieved.

The bill provides for the establishment of the trust fund to which the revenue collected from recreational fishing licences will be paid, the process by which moneys will be allocated and the basis upon which advice will be provided to the minister by the advisory body.

Clause 19 inserts proposed section 151C, which provides for the establishment of the Fisheries Revenue Allocation Committee. Proposed subsection (3) provides:

The Committee consists of the following 6 members appointed by the Minister —

- (a) 2 members of the Fisheries Co-Management Council or of a fishery committee with knowledge of, and experience in, recreational fishing nominated by the Fisheries Co-Management Council;
- (b) 2 people nominated by the Secretary;
- (c) 2 people nominated by the recognised peak body for recreational fishing.

The opposition has received representations about the structure of the Fisheries Revenue Allocation Committee. The Australian Fishing Tackle Association,

the peak body, believes there ought to be representation from that sector of the industry, which has a significant involvement in the commercial activities of recreational fishing. The executive officer of AFTA, Douglas Joyner, has formally suggested that the bill should be amended to provide representation for the recognised peak recreational fishing industry body, as distinct from a body representing recreational fishers.

I make that point as a matter of course to indicate that although the general proposal, both in the establishment of the trust fund and the mechanism for providing advice, is supported, a number of stakeholders would like to have as-of-right representation and a capacity to influence the disbursement of the funds.

I have also received advice from the commercial fishing sector suggesting in vigorous terms that it, too, ought to be represented on the advisory body. I can well imagine that the recreational representatives would resist that suggestion, but of course the commercial sector would say that it funds much fisheries research from which the recreational fishermen benefit. That just demonstrates that the issues are never simple, and it should never be presumed that they can be resolved simply.

Another issue is the impact of the proposal on the commercial sector. Strong representations about the bill have been made to the opposition for a number of reasons, not least because whenever amendments to fisheries legislation that impact upon licensing arrangements are made concern is inevitably expressed by commercial fisheries stakeholders about the security of their licences. It is not unreasonable for them to be concerned that the effect of any legislative change to the Fisheries Act may impact on their licences in a way that is detrimental to the security of the licences. Given their dependency on a secure entitlement, the fishermen examine the issues in some great detail.

It is a matter of trying over time to get the issues right on balance. I put the minister on notice that it is apparent that Seafood Industry Victoria and its constituent groups, including the Portland Professional Fishermen's Association, the Western Zone Wrasse Association, the East Gippsland Estuarine Fishermen's Association and the Mallacoota Abalone Cooperative, made representations on clause 6, which goes to variation of class of licence conditions.

I will not pursue the discussion in great detail except to note that the industry believes some issues will now only be tested, in effect, by the way the secretary of the department implements the change and varies the class of licence where a fisheries management plan proposes

to change the way licences in a particular fishery should be operated. The industry has put on notice a concern. While noting the concern on the basis of the discussion that has occurred to date, the opposition does not formally oppose this part of the bill but has raised with the minister the need for the industry to be further satisfied that it will not prejudice the rights of the licensees.

The particular commercial fisheries management issue I want to raise relates to clause 9 of the bill, which deals with individual transferable quotas. It will be no surprise to the minister that rock lobster fishery representatives have made extremely strong and vigorous representations to the opposition and that there has been a dialogue over some considerable time on the issue. I would be the first to acknowledge that with this matter the minister has in front of her a very complex and difficult decision path to follow. Clearly the advice the minister has received about recommendations for rock lobster quota management represents the same advice that was received by the previous minister, which was that a strong argument was being put by fishery managers that for the future sustainable management of that fishery there ought to be quota management.

About 18 months ago I attended on behalf of the then Minister for Agriculture and Resources a meeting at Portland organised by the local member, Dr Denis Napthine, with rock lobster fishermen, mostly from western Victoria, and a number of eastern zone fishermen. It was a very interesting and vigorous meeting, where the argument for quota management was put very strongly. I took note of the points that were raised by the rock lobster sector at that time and have taken note of the consistent points it has raised since. I am sure it was appropriate that this house, on 1 March this year, referred a reference to the parliamentary Environment and Natural Resources Committee to undertake an inquiry into the sustainable management of the Victorian abalone and rock lobster fisheries, with particular emphasis on management and enforcement practices and the royalty regime, and to report to Parliament by 31 December 2001.

That reference came out of the reality that there has been a great deal of conflict over the issue of how to better manage the rock lobster fishery. I suggest that probably no member of the house has the scientific and technical background to make the judgments that must be made about the management of the fishery. Therefore, we are all dependent — and the minister more particularly, because she has the responsibility — on the advice provided to her. But it is clear that there is significant conflict in the advice being provided. There

is certainly a cohort of opinions by fisheries managers, but equally there is a cohort of opinions by fishers, which is supported by the scientific and technical advice being provided to those professional fishermen. That is why Parliament asked a joint parliamentary committee to, in a non-partisan way, examine the issue of the management of the rock lobster fishery sector.

The minister's announcement in a media release of 14 November that the rock lobster fishery would move to quota management regrettably pre-empts the outcome of that inquiry. In my view it is almost a contempt of the parliamentary committee process. The committee is unable to have any confidence that the minister will take any note of the views it expresses in any report it tables in Parliament on the issue. Therefore, the minister's announcement is clearly prejudicial to the committee's process.

I was surprised by the announcement. It was pre-emptive, given the significant impact on the management of the rock lobster fishery as a result of the Environment Conservation Council (ECC) recommendations about the establishment of marine parks, and the serious implications on the viability of the industry as a result of the government's considering and implementing that report.

It was also surprising that the bill was coincidentally read a second time in this house on the same day as the minister's media release. I believe the minister issued her release in the morning and that the bill was read a second time in the afternoon. That seems to me in some ways to be almost contemptuous of the processes of the house. Here we are considering legislation dealing with quota management, yet the minister had no regard for that, the ECC report or the parliamentary inquiry. I simply ask the house to note that that is the case.

Vigorous representations have been made. To put it into context, only one representation has been made to the opposition in support of the minister's announcement of which I am aware — and I will acknowledge it. The one group that has endorsed the minister's decision is VRFish, which issued a media release congratulating the minister on the decision. There may well be other groups that have a view about the matter, but I have not heard of them. Certainly all the commentary I have heard has been about the adverse impact on the management of the fishery and on the financial viability of the industry.

The most critical element of the decision is its potential impact on rural coastal communities. The rock lobster industry has 160 licence-holders. It is a very significant industry, with a value last year of about \$18 million and

an average value of \$15.4 million over the past five years. It is very significant to small rural coastal communities.

The concept of individual transferable quotas (ITQs) may be seen to be a good and effective tool from a management perspective, but I think Parliament needs to pause to consider that the case that is being put strongly is that the introduction of transferable quotas will inevitably mean an aggregation of quotas to the extent that there will be a reduction in the number of licensees. The licensees' economic relationships with their rural coastal communities are such that any reduction would have a significant adverse economic impact. Small fishing villages depend on the fishermen and their families residing in those communities and the consequent economic activity. We have seen the impact of rural decline in recent years, and I guess over the life of the development of this continent.

There is a risk that moving to this quota management regime may worsen that decline in rural coastal communities. I am cautioning the Minister for Energy and Resources on this decision. I urge her to hasten slowly. The minister has made a policy statement about the matter, and although there are conflicting views about whether Parliament should agree to pass the bill given clause 9 and the quota management issues, on balance it is evident that it will lead to better management of the abalone and scallop industries.

A case has been made that the application of ITQs will lead to an improvement in the management of those industries, but the rock lobster fishermen have vigorously made the point that it is difficult for them to see it as having anything other than a negative impact on their industry. They argue that the revenue from the industry will not be sufficient to allow the aggregations necessary to enable efficient fishermen who are dedicated to staying in the industry to acquire sufficient quotas under the rationalisation process envisaged by the new rules. There would not be enough financial viability for the fishermen to fund those transfers of quota. If that is the case, not only do we risk some aggregation occurring prejudicially, we also risk reduced opportunity for economic viability among the fishermen.

I simply put that on the record and urge the Minister for Energy and Resources to take note of the fact that the rock lobster fishermen feel they are under threat. They do not feel there has been appropriate consultation. They have vigorously made the point to me that they have been unable to get access to the minister. They would have preferred to discuss these matters in person. I understand the minister is constrained in the time she

can give to the issue, but it is clear that the industry is frustrated by the lack of access.

It may be that it is important for the minister to allow time for the parliamentary committee to complete its inquiry and to reassure the industry that she will consider recommendations coming from the joint committee, which is reviewing the abalone and rock lobster fisheries.

The opposition will not delay the passage of the bill. I ask the minister to note that some serious concerns are being expressed by the commercial sector. I have no doubt that the recreational anglers will be delighted with the passage of the bill because it will see the conclusion of the process put in place by the previous government to implement the policy agenda of securing a recreational fishing licence fee for reinvestment in recreational angling opportunities.

Hon. P. R. HALL (Gippsland) — I welcome the opportunity to make some comments on the Fisheries (Amendment) Bill. There is a lot going on in the fishing industry at the moment. Apart from the amendments to the Fisheries Act contained in this bill, there are things like the all-party parliamentary Environment and Natural Resources Committee, which has two relevant references at the moment, one on fisheries management and another on the sustainable management of the abalone and rock lobster fisheries. In addition a number of management plans are currently being finalised within fisheries. The management plan for the abalone industry is well advanced and will soon near completion. A management process for the rock lobster and giant crab fisheries has commenced, as has a management plan for the eel fishery. The management plan for the Upper Goulburn, Eildon and Bendigo region fisheries is also well advanced.

A lot of research is being done in various fisheries. A quick glance through the annual report of the Fisheries Co-Management Council will give members an idea of the significant amount of research being undertaken in a number of fisheries. As my colleague has said, we have just completed a voluntary buyback of commercial bay and inlet licences. It has been described as a very successful program, but there has been no formal evaluation of its success and its implications for fish stocks in various bays and inlets around Victoria.

A recent report from the Environment Conservation Council made recommendations that would prohibit commercial and recreational fishing in 24 areas along the coastline. That will be of great significance to recreational and commercial fishermen. Last week we

had the decision of the Minister for Energy and Resources to introduce quotas to the rock lobster and giant crab fisheries, and I will say a little more about that later.

As I said, a lot is going on in fisheries. While I recognise that much of this work is necessary, particularly the research work, I make the comment that the sequence of a lot of the work being undertaken and the decisions being made seems to be illogical. For example, the decision to introduce quotas for the rock lobster industry was made at a time when the Environment and Natural Resources Committee has a reference to look into the best way of sustaining the Victorian rock lobster industry. It seems that last week's decision to introduce quotas at best prejudices any decisions that committee may make.

The same thing applies to the development of management plans and the consideration of marine parks. If the government is to introduce into Parliament next year legislation to create marine parks, that may have a significant effect on the management plans of industries where management planning is now under way. Although I certainly support the concept of management plans, it seems to me that introducing marine parks may well upset all the work that has been done in management planning in certain fisheries.

As my colleague has said, the bill introduces individual transferable quotas, and that may be slightly premature when the management plan for abalone is not yet quite finalised. Perhaps it would have been better to finalise that management plan before introducing individual transferable quotas.

I do not deny that much of the work undertaken in fisheries should not have been undertaken. The government has adopted an ad hoc approach at the moment. The sequence of that work needs to be better ordered so that works complement one another rather than what I fear — that is, that the outcomes may conflict with each other.

Before I turn to examine the bill's clauses I refer to the good work done by the Fisheries Co-Management Council, the annual report of which was presented to this house during the past two weeks. If honourable members wish to gain a snapshot and read statistics about the industry, I recommend the annual report. It goes through the issues and comments on such things as the voluntary buyback, and inland and bay licences. It gives a status report on each of the fisheries in Victoria. I found it to be a useful document in gaining a better understanding of the issues facing the industry and where each is headed.

Quotas will become an issue in the debate. I note, for example, the comments made by the Fisheries Co-Management Council about the black bream fishery, how the co-management council assesses further input controls into that fishery and how it has improved the fishery. I refer to page 19 of the co-management council's latest report, which states:

Black bream catches have been very good. Three years ago the department, after 20 years of pressure from industry, raised the size of bream to 26 cm from 24 cm for recreational catches and 25.5 cm for commercial catches. This increase resulted in an immediate decrease up to 40 per cent of commercial catches, but the rewards are now being reaped, as fish again become available for fishers. Unanimous opinion among fishers is that this increase in size has been the most important and beneficial management step taken in the last 30 years.

That is an example of the sorts of comments made by the co-management council about each of the Victorian fisheries. I chose to read that section of the report because it is an example of how the imposition of more stringent input controls has brought about significant benefits to the fishery. I will not argue that every fishery is best managed by input controls but they should be seriously considered as an important management control for a number of fisheries. I will talk further about that when I refer to the introduction of quotas for the rock lobster industry.

I refer to the provisions in the bill that are of little or no concern, or which are supported by the fishing industry. Clauses 4, 5 and 8 are specific to the aquaculture industry. No real concerns have been expressed by the industry about them. The only comment I make is a general one on aquaculture in that the Victorian aquaculture industry is greatly underdeveloped. The worldwide trend is a decline in wild fisheries and a greater reliance on farmed fisheries and Victoria has much scope for developing the aquaculture industry. Victoria falls behind many parts of Australia and the world in aquaculture. The government should focus on aquaculture as an important future area for the development of fisheries.

Clause 7 is headed 'Notice given to holders of financial interests'. It widens the obligations on the secretary to notify a holder of a registered financial interest of an application to transfer a licence or to transfer a quota permanently. That clause is accepted by the industry and is important for those involved in financing people who may hold licences.

Clause 10 prescribes offences for the illegal taking of abalone. I support any improved efforts to deter the illegal taking of abalone from Victorian waters. Abalone is a lucrative fishery and for that reason it is

tempting for people to poach it. The clause introduces further offences for the illegal taking of abalone. It introduces a two-tiered approach to penalties — that is, on-the-spot fines for people caught taking more than but not less than twice the illegal amount of abalone; and heavier penalties will be imposed for those taking more than twice the legal limit.

That amendment is supported strongly by the industry although representatives made an interesting comment about it. It is puzzling because the clause refers to taking abalone more than the maximum size; the industry says there are no maximum size limits. It asks why 'maximum size' is a phrase used for the taking of abalone. I am not sure whether that pre-empts any management plans for the industry. Perhaps the minister will clarify that during the debate.

Clauses 11, 12, 13 and 14 relate to enforcement provisions. Apart from clause 13, which refers to vessel monitoring systems — I will turn to that later — the industry supports those clauses.

Clauses 19 and 20 concern the establishment of the recreational fishing licence trust account and the Fisheries Revenue Allocation Committee. As has already been said during the debate, that provision formalises and completes the arrangements for recreational fishing licences and the establishment of a trust account. It will ensure that moneys collected through recreational fishing licences can be returned for the benefit of Victorian recreational fishers.

There is unanimous support among organisations such as VRFish and general recreational anglers for the establishment of the provisions in the bill to complement the already existing recreational fishing licence. Pat Washington, the chairman of VRFish, would want me to put on record his association's strong support for the clauses relating to recreational fishing.

Clause 21 concerns the regulation of vessel monitoring systems. It deals with a head of power to enable regulations to be made requiring the installation of vessel monitoring systems. They will be subject to a regulatory impact statement (RIS) at a later time.

Some sections of the industry have signalled concerns about the possible introduction of vessel monitoring systems. I appreciate that the RIS process will give people the opportunity to express their views and I encourage people to make their views known because I understand some people are concerned about the costs of installing vessel monitoring systems. The cost will be significant, amounting to between \$5000 and \$10 000.

Although it is an improved safety device, some fishers have questioned whether it is necessary for bay and inlet fishers to have vessel monitoring systems mounted on their boats. I can understand the need for improved safety measures for ocean fishers but perhaps that additional cost may not be warranted for inland and bay fishers. However, the RIS process will enable people to make their views known.

Consultations undertaken by the National Party on the bill reveal that clauses 6 and 9 have caused considerable concern. Clause 6 is headed 'Variation to class of licence condition'. The amendments in clauses 6 and 9 are technical. I will quote from the explanatory memorandum of the purpose of clause 6 to help me explain the industry's concerns about that provision. It states:

Clause 6 provides a new process for varying fishery licences and conditions of licences if the change applies to all members of a class of licence. The secretary can only vary a licence in this way in order to give effect to a management plan declared under section 28 of the Fisheries Act 1995 or to any change to a management plan. The new process requires the secretary to give the consultative body and the relevant recognised peak body written notice of the proposal and must consider any submissions made by those bodies.

Clause 6 probably caused the most concern in the consultations on the bill. The Abalone Fishermen's Cooperative, which is located at Mallacoota, expressed its concerns about clause 6 as follows:

... that written licence to the licence-holder and the requirement to consult with the peak body and to put the newspaper notice is not to apply if the variation or revocation is for the purpose of removing an inconsistency between the licence or permit and any regulation, order in council, fisheries notice, management plan, order, ministerial direction or intergovernmental agreement or arrangement.

It further states:

We are concerned at what the secretary may see as an inconsistency and that no right of appeal is given on the proposed new discretionary powers. It is suggested that section 137 should be amended to allow for appeal on these new powers to the Licensing Appeals Tribunal to be consistent.

We also believe a further amendment should occur whereby a gazetted management plan is a subordinate instrument for the purposes of the Interpretation of Legislation Act 1984, similar to the legislative enactment in section 152(6) which gives the fisheries notice similar status. This provides an added protection for industry and for the community in terms of potential review of the management plan by Parliament.

That is a fairly reasonable request. A similar request came from organisations such as the East Gippsland Estuarine Fisheries Association. The secretary, Mr Arthur Allen, also expressed concerns that fishing

licences could be varied without going through the regulatory impact statement process as has been the requirement in the past.

Even some inland fishermen wrote to the National Party. In particular I refer to Jakob and Valerie Bastra who are inland access licence-holders. Although they made some very supportive comments about the Fisheries (Amendment) Bill, they were concerned about clause 6. In part their letter states:

... but I do not agree on changes and conditions to classes of licences. When giving effect to management plans, this could be seen to be very threatening to some fishers. In my experience some management plans are put into place with little or no input from the stakeholders.

It might be the fault of the stakeholders that they have no input; nevertheless it is a concern that has been expressed by a person who is a holder of an inland fishing licence.

Seafood Industry Victoria (SIV), the peak body representing commercial fishers, has also expressed concern with clause 6 and suggested amendments. I conveyed those amendments to the minister in a letter of 31 October. Again, as I said of the mining bill, I am grateful for a response received promptly from the minister on 1 November, the very next day. I commend the minister on her efficiency and thank her for responding so quickly. The minister's letter deals with the suggested amendments from Seafood Industry Victoria. It states in part:

... those relating to variation of class of licence conditions (sections 28(9), 54(4) and 137) would make that section of the act unworkable, resulting in greater administrative complexity and time to make changes to conditions than via the current regulatory process.

I do not agree with the minister on that point. It appears to me that the amendment suggested by SIV simply required the minister to give the peak body 28 days notice of an intention to vary a licence condition which would certainly be a shorter process than going through a full regulatory impact statement. Therefore I do not agree with the minister's response that it would make the act unworkable. The industry has put forward a fair and reasonable request and I am disappointed that the minister was not prepared to accept it. Nevertheless, I realise that weight of numbers and the importance of getting the bill through mean I am unable to move amendments to that effect today. However, I place on notice the National Party's interest in the issue. The party will watch it closely, and I ask the minister to think about and monitor the situation and perhaps introduce legislation in the future to address that issue.

The same applies to the provision making a management plan a subordinate instrument for the purpose of the Interpretation of Legislation Act so the Parliament itself has the opportunity to look at any variations to licence conditions. In her response the minister states:

... if industry want management plans to be recognised as subordinate instruments of legislation, then the act would have to be significantly rewritten to accomplish this and could not be accommodated through the change suggested for section 28(9).

Once again, I do not understand why it is so difficult to do that. There are already sections of the act under which any regulations made can be subordinate instruments of legislation. For example, section 152(6) is a subordinate instrument for the purposes of the Interpretation of Legislation Act, so I do not understand why that request would require a major rewriting of act as suggested in the minister's response. Once again not much can be done about that, given the lateness of the year and the debate on the bill but it is certainly an issue the National Party will watch with much interest.

Clause 9 replaces sections 64 and 65 of the Fisheries Act which concern quotas. Once again, although I will not read it, clause 9 gives members the best description of what is being proposed with the introduction of permanently individual transferable quotas. Clause 9 also attracted representations from SIV and the Abalone Fishermen's Cooperative. In correspondence to the National Party the cooperative states:

We question the change from the Governor in Council making the order relating to quota allocation to the minister him/herself. We do not understand why such a change is necessary.

We are also in an advanced stage of the management plan process for abalone. We request that provisions be made to preserve the current status quo under sections 64 and 65 of the Fisheries Act 1995 pending completion of the management plan.

Current discussions in the management plan process relate to the future nature of quota transfer. Issues relating to the permanent transfer or temporary transfer of quota and the scope of the transfers have yet to be resolved. We would like to ...

The cooperative then makes some suggestions about what could be done. Therefore, again, it seems somewhat inconsistent to introduce individual transferable quotas to apply particularly to the abalone fishery when the management plan is close to finalisation. It would have been better to finalise the management plan before the provisions in clause 9 were introduced.

Once again I wrote to the minister about some of the suggested amendments for clause 9 and received a fairly lengthy response. In summary, several points made by the minister suggested that parliamentary counsel felt that approach was impractical.

Rather than saying the suggestions of an organisation were impractical and therefore ruling them out, parliamentary counsel should suggest ways in which it could be done more simply. To say in response, 'The way you want it done is impractical', is a little flippant. It would have been nicer if parliamentary counsel were required to instruct how those changes could have been achieved in a simpler version.

The issues relating to clause 9 and quotas are of significant concern to the National Party. Certainly, the industry is wary of it. The fisheries that are particularly wary of the introduction of quotas are the rock lobster and giant crab fisheries. I shall now discuss the decision of the minister last week to introduce quotas as a management tool in those fisheries. I have raised the subject at least twice in the house in the past few months the minister would be well aware of my interest in it. Like the industry, I am extremely disappointed that the minister has decided to go along the path of introducing quotas for those fisheries when it appears that the best advice available suggests that stringent input controls would be a more effective means of ensuring sustainability.

I make the following points. The current risk assessment modelling undertaken by the Marine and Freshwater Resources Institute on the 1999 stock assessment clearly showed that there is a far greater possibility of rebuilding rock lobster stocks with more stringent input controls compared with quota management. The assessment report made a comparison of expected outcomes under two models — input controls at various levels and quotas. Indeed the co-management council annual report, to which I referred earlier, also suggested that for the future sustainability of the rock lobster industry, there should be a reduction in catch effort of something like 25 per cent in the western zone and 30 per cent in the eastern zone.

The industry is prepared to meet the requirement to reduce catch effort; indeed, in the past it has proposed measures to reduce catch effort in its industry. The proposals incorporated the greater use of input controls — that is, the number of pots allowed; the size of the females taken; and the length of the season. All those input controls could have been used in preference to quotas.

The key performance indicators for the eastern zone rock lobster fishery have shown consistent improvement over the past five years. Although the fishery needs to address sustainability issues, it is not in dire trouble when the catch effort in both the eastern and western zones has improved in the past five years.

Having taken expert scientific and enforcement advice and examining all the evidence in detail over many months I make the point that the commercial rock lobster fishery committee did not recommend quota management for the eastern zone. I emphasise: the commercial rock lobster fishery committee did not recommend quotas.

That same committee noted that the eastern zone does not generate sufficient funds to support quota management, and that should be another issue of significance when making decisions about quotas. There is certainly very little industry support for the introduction of quotas.

As I said, more stringent input controls are supported by the industry. If you want to manage something, you have to take people with you. If that had been the case I believe the industry would have come on board and cooperated with the introduction of greater input controls. Indeed, the committee recommended greater input controls as a means of achieving sustainability in the rock lobster and giant crab fishery.

The last point I want to make is that rock lobsters and giant crabs seem to be lumped together; yet they are not dependent upon each other. The fishermen I have spoken to admit there are problems with the giant crab fishery, but those problems do not have direct relevance to the rock lobster fishery. Therefore although both fisheries seem to be often grouped together in terms of planning and management, the fisheries themselves are quite distinct. Measures to consider the sustainability of both should not be dependent and linked to each other.

I express the National Party's disappointment with the minister's decision to introduce quotas for the rock lobster and giant crab fisheries. I earnestly do not believe that decision is in the best interests of achieving a sustainable industry. It certainly does not have industry support and I know that many within the industry feel it will result in significant job losses for those involved in the fisheries. That is yet to be decided, but I rely on advice given to me by people who have spent their lives involved in the industry and who see the imposition of quotas as the worst possible outcome for them and their fisheries.

My last comment relates to the duration of fishing licences. Fishing licences are issued annually to the holders of commercial licences. It surprised me that the amendment bill did not extend the duration of those fishing licences, perhaps for a three-year period, or for a time nominated in the management plan.

I raised the issue in the briefing I had with the minister's officers. I also raised it in correspondence with the minister. The response was that it had been considered by those drafting the bill, but that the industry requested its removal.

When I checked with SIV whether that was the case, I was given an emphatic no — that it had not been requested by the industry. In a letter to me SIV states:

In relation to increase in duration of licences, the minister states that this was only removed due to the request from SIV to do so.

SIV says that is incorrect. It further states:

In our letter to Mr Garnham of 23 August 2000, SIV stated that there was no support at this time for the proposed amendment concerning duration of licence. The following comments were made:

Need to specify the minimum duration of a licence.

Would recommend five years (or such other period in excess duration of the minimum duration where this is set out in a management plan.)

Finally, SIV said:

Section 57(3) states that the secretary must renew the licence for a further period if the licence-holder has a record of compliance with this act. This section also needs to be amended to ensure that the renewal is for at least the same duration as the duration of the licence before its renewal or any further duration as set out in the management plan.

SIV concludes by saying:

SIV never requested the removal.

Once again I simply make the point that a one-year licence is not appropriate. A mix-up may have occurred between the government and the industry about the matter. I suggest that it be re-examined and addressed in future discussions when the Fisheries Act is under consideration.

In conclusion I refer to the response I received from the minister on 1 November. The last sentence states:

Any house amendments to the bill will cause significant delays and likely result in the bill laying over till the next parliamentary session. SIV and other fishing peak bodies have indicated support for many clauses of the bill and it would be counterproductive if the bill was unnecessarily delayed.

Hon. Kaye Darveniza interjected.

Hon. P. R. HALL — I agree. It would be counterproductive if the bill were unnecessarily delayed. The bill contains some positive provisions, but during my contribution I have raised some issues that should be considered. If the management of government business had been better honourable members would have had the opportunity of debating the bill earlier and examining possible amendments that would improve it so that it could be sent back to the other place for consideration. Unfortunately, today is the second last day of the sitting of the Legislative Assembly and this house will not have the opportunity to amend the bill. That is a shame. The National Party has raised issues and suggested possible amendments. It has raised real issues and is not making political points, so it is disappointing that the way government business has been managed will not allow the house to function as it should — to review and amend legislation that comes before it.

I accept reality. The house is unable to amend the bill because of the timing of the debate, this being the last week of the sitting of the other place. The National Party will monitor the issues raised in discussions and will welcome the opportunity to debate those issues at a later time. It will evaluate some of the issues raised during the debate and, if required, suggest further amendments. The National Party will not oppose the bill. It is a strong supporter of the fishing industry, but it will adopt a watching brief on some of the issues I have raised today.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to contribute to the debate on the Fisheries (Amendment) Bill because it is another example of the Bracks government delivering on promises made by the ALP during the election campaign.

The government believes the economic benefits and recreational potential of the fishing industry are vital to Victoria. During the election campaign the Labor Party made a commitment to establish a trust account for revenue raised from recreational fishing licences. It also said it would create a fishery revenue allocation committee that would provide advice on how money from that trust account will be spent.

The government agrees with the Honourable Peter Hall that there is a lot of potential for further development in the aquaculture industry. Honourable members opposite have referred to the number of amendments made to the principal act over the years. The act was amended in 1995 — —

Hon. Philip Davis — It was rewritten.

Hon. KAYE DARVENIZA — Yes, it was rewritten. In 1997 further amendments were made that refined and simplified the management framework set out in the act and provided for the sustainable management and protection of fishery resources, habitats and ecosystems. Since April 1998 the act has been fully operational and during that time a number of administrative and enforcement issues were identified as requiring attention. As with other bills introduced by the government, there has been extensive and lengthy consultation that involved an exposure draft being circulated widely to all the stakeholders in the industry. The bill was not prepared until all those stakeholders had had a say, and many of the amendments in the bill result from the consultation process and from proposals put forward by those stakeholders.

Peak bodies were consulted, as were recreational fishers, the aquaculture industry, fisheries and those interested in conservation. The bill will further improve the management of fisheries resources by strengthening enforcement provisions and making changes to management and administrative processes.

Proposed section 151B inserted by clause 19 establishes the recreational fishing licence trust account. As I said at the beginning of my contribution, this provision delivers on the commitment given by Labor during the election campaign. Proposed section 151C establishes the Fisheries Revenue Allocation Committee. The recreational fishing licence trust account will receive revenue raised from recreational fishing licences and the Fisheries Revenue Allocation Committee will allocate that revenue. The function of the committee is to provide any advice requested by the minister on the priorities for the disbursement of funds from the trust account. It will advise the minister how the money from the trust account should be spent.

The document entitled 'A new partnership — Labor's plan for recreational fishing' states in part that Labor is committed to placing all revenue raised from licence fees into the trust account to ensure that the money is spent only on improving recreational and angling opportunities. The Fisheries Revenue Allocation Committee will comprise six members appointed by the minister; two members from the Fisheries Co-Management Council; two nominations by the secretary; and two nominations by the recognised body for recreational fishing. The bill indicates that the trust account is for revenue raised from recreational fishing licences. The minister must table in Parliament the report on how amounts paid into the account were disbursed.

It will provide transparency and accountability and will allow for scrutiny of how the money is raised by the issuing of recreational licences. That will be of interest to those who are keen on fishing. In my electorate keen fishers spend much time fishing from the Altona pier, and they also fish from boats.

Hon. G. R. Craige — What do they catch?

Hon. KAYE DARVENIZA — They catch a lot of calamari.

Clause 14 sets out the enforcement provisions. As pointed out by the previous speakers, unless we protect them our fishery resources may become depleted to such an extent that they can no longer sustain commercial catches or support reasonable recreational fishing. Fishery resources must be protected from those who repeatedly break the law for personal gain — for example, the abalone industry is the highest value fishery in the state. A great number of media releases and stories covered by the media are generated by those who overfish and take more than they are legally entitled or permitted to take. Strong and decisive action must be taken against those who flout the law and fish illegally.

The clause also provides for the issuing of court orders to prevent repeat offenders from other states and territories from fishing in Victorian waters.

Clause 12 allows for undercover operations by authorised officers or by the police, which will enable far more effective action to be taken against those who are profiteering, who are often organised gangs involved in the industry. The abalone industry is a case in point because it involves high profits. The provisions are similar to those in the Wildlife Act.

Clause 11 provides for the issuing of retention notices that will require a person not to sell fish or equipment for a nominated period pending further investigation. If an officer or a member of the police force believes on reasonable grounds that anything that has been taken will be used in contravention of the act, the officer is able to issue the person with a retention notice requiring that person not to sell any of the fish or equipment until further investigation is undertaken. It gives greater flexibility to enforcement officers, especially in cases where the seizing of fish or equipment would not be practical.

Clause 8 provides for the issuing of removal notices for the removal from public land or waters of fish or equipment when an aquaculture licence has either been cancelled or lapsed. It is an important provision that requires licence-holders to clean up their sites when

they leave them — it is a clean-up provision. It will result in clean waters and better protection of our environment.

Clause 10 provides for infringement notices, which may be issued against people who exceed legal catch limits by a small amount. It is a two-tiered system that allows minor breaches by recreational fishers to be dealt with by on-the-spot fines whereas those who exceed the legal catch by a significant amount may be prosecuted through the courts. That provision is strongly supported by the industry.

Clause 9, which provides for the permanent transfer of quotas, has been welcomed particularly by the abalone and scallop fishers and allows for the permanent transfer of quotas between licence-holders in managed fisheries.

The bill covers a wide range of areas that will ensure Victoria has a more sustainable aquaculture industry and better circumstances for recreational fishers. It also gives considerable strength to enforcement so that we can ensure we will get the required outcomes for those who are flouting and abusing the system. As I said earlier, a number of provisions amend the management and administration processes.

The government believes the bill will deliver on its election promise. The bill has wide support from the fishing industry and the community. The government consulted widely prior to introducing the bill, which was developed only after extensive consultation with all stakeholders. The bill will introduce safeguards in respect of both an important commercial industry and recreational fishery activities, which provide a great deal of enjoyment for many Victorians. I commend the bill to the house.

Hon. G. R. CRAIGE (Central Highlands) — Once again I am contributing to debate on a fisheries bill. From 1988 to today I have made a contribution in some form or another to every fisheries bill introduced into the house.

At the outset I clearly declare my interest because it is important for members of Parliament to do so. I am a holder of a current recreational fishing licence (RFL). I wonder how many honourable members hold current fishing licences and participate in recreational fishing. I know my colleague the Honourable John Ross also holds a licence. I have held a licence from the day they were introduced on 15 July 1999, and I have had my licence renewed.

I will spend some time on the issue of recreational fishers and the importance of the proposed legislation. I

wholeheartedly support the provisions of the bill which finalise a very long process and which will enhance the lot of the many recreational fishers in Victoria. Some 840 000 people in Victoria participate in recreational fishing every year. The economic contribution that significant number of fishers makes can never be discounted. It is estimated that 27 000 Victorians are engaged in occupations associated with recreational fishing. Certainly when I look at the amount of gear I buy in a given year I realise I make a fair contribution, whether through my fly-fishing pursuits or through my fishing in Port Phillip Bay and other Victorian bays and inlets. I can understand why the estimate of the financial contribution from goods and services in the recreational fishing industry is about \$1.3 billion.

The fishing industry is an ever-changing world, whether it be commercial or recreational fishing. It takes a great deal of effort for the recreational fisher who is not aligned with a club but is keen on recreational fishing to keep up with the many changes that take place. Many things that have happened in the past and those that are happening today whether in the commercial area, government administration or recreational fishing have had an impact on the way recreational fishers go about their business,

Today I wish to make honourable members appreciate the significance and importance of recreational fishing. I congratulate the government on a very good document. I note that the Minister for Energy and Resources did not get a mention or a photograph in the document entitled 'Fishing tourism action plan 2002–03'. The Minister for Major Projects and Tourism got the carriage of that document. I had hoped the Minister for Energy and Resources might have got a guernsey in that document as well.

I believe the executive summary at page 2 encapsulates the point of view of recreational fishers. It states:

Victoria has a diverse range of recreational fishing opportunities. It is one of the state's largest outdoor sport and recreational activities with more than 800 000 Victorians participating in fishing at least once a year.

Fishing is therefore of benefit not only from the point of view of resources but from the point of view of tourism. I have some words of warning: it is not all beer and skittles in the fishing industry. There has been a great deal of turmoil over the years. I do not believe anything presents the case better than the current annual report of the Fisheries Co-Management Council, where the chairman, Kaz Bartaska, states in his report:

The history of our industry is fraught with division, reaction, perceptions, disjointed data and dare I say some self-interest.

Mr Bartaska further states:

It is time we stopped the merry-go-round, took stock of where we are, got rid of the misperceptions, agreed on the status quo, came to the one table and then worked out how to go forward.

I could not agree more. Mr Bartaska also states:

In short, industry, government and the community need to develop a clear vision for the future of fisheries in Victoria.

The industry has had many ups and downs. At times there has been as much politics in fishing as there has been in the chamber, and it has been a difficult road for people in the background who have been involved for as long as I have. A great deal is happening and I believe what Mr Bartaska says in his report highlights that when the Environment and Natural Resources Committee inquiry on fisheries management is over it will be time to smell the roses and see where we are at, and then move on. It seems there is a sea of constant change, whether it be the non-completion of fishery management plans or the work done by many groups, such as the Fisheries Co-Management Council, VRFish or the Futurefish Foundation and Fisheries Victoria, where people spend countless hours on bringing these issues forward.

There is so much happening that I make a plea to the government on behalf of recreational fishers to have a clearer blueprint, to get some of these inquiries out of the way and allow things to settle down for a while so that we know what we are supposed to be doing, what the bag limit is, what the size limit is and what reviews are taking place. I would argue there are now so many reviews and inquiries taking place that people really have no idea what they are all about. It is important to carefully examine that issue.

I refer the house to the discussion paper of the Environment and Natural Resources Committee (ENRC) entitled 'Inquiry into fisheries management', which was issued in September, because it relates specifically to the resource and its management. On behalf of recreational fishers I submit that it is paramount to them that the resource is managed in an equitable fashion. I will not take as strong a line on the commercial aspect as some of my colleagues have and will because I believe there is currently an imbalance, with requirements being placed on recreational fishers that are not being placed on commercial fishers. That needs to be considered because the resource is absolutely paramount.

Under the heading 'Summary' point 8 of the discussion paper states:

Ecologically sustainable development (ESD) requires achieving the objectives of improving wellbeing, increasing equity —

and I make the point that it must be ensured that the equity is there —

and maintaining biodiversity.

In my view that really says it all. Page 2 of the discussion paper gives a broad description of fisheries management in Victoria and talks about expectation. Point 1.8 states:

In Victoria today there is an expectation that there will be a regular supply of high quality fresh fish for consumers, opportunities for recreational fishing and provision for a range of non-consumptive recreation, appreciation and education activities. To meet such expectations of Victorians, fish resources need to be conserved, their habitats protected and fishing activities managed in a sustainable manner.

That is a good starting point for the committee and a relevant one for everybody to take note of. It is really important that the fishery resource is conserved and that fragile habitats — as some of them are — are protected and managed in a sustainable manner. It is all about achieving a balance between the concerns of recreational and commercial fishers. It is neither one way nor the other. Commercial fishers have a legitimate claim to the resource but so do recreational fishers. It is a matter of working our way through it. I think the Fisheries Co-Management Council should be congratulated on the work it has started and I am sure will continue to do on bringing together the commercial and recreational fishing industries in this state.

I will briefly discuss three areas of the bill — namely, the recreational fishing licence and its relationship to the recreational fishing licence trust account and the Fisheries Revenue Allocation Committee; the enforcement of infringement notices; and the decision by the minister to introduce rock lobster quotas, thereby pre-empting the bill as the introduction of the bill pre-empts the ENRC review on fisheries management.

There is no doubt that the Labor Party came into government on a policy of supporting the introduction of an all-waters recreational angling licence. We all know that prior to Labor coming to office the recreational licence was introduced in a sound and well-thought-out process by the previous Kennett government. I want to place on record the significant amount of work done by many people prior to the introduction of the legislation and the recreational fishing licence.

Firstly, I refer to the input by VRFish. It was paramount that VRFish was involved in and supportive of the

process of introducing a recreational fishing licence. I congratulate its members on the work they did. Pat Washington, who has been a stalwart in VRFish, has done a magnificent job in his leadership of the organisation. For the Fisheries Co-Management Council it has been a rough road. The concept will see the state with a much better managed fishery in the future. Kaz Bartaska and the board members have worked tirelessly to bring the fishing industry together to seek common outcomes. I think they have done that.

The staff at Fisheries Victoria, who may not have always been supportive of the policy direction but who eventually saw that it was the way to go, worked tirelessly in ensuring that the recreational fishing licence was introduced in an orderly fashion. Rex Hunt, of whom most of us know, has been a stalwart in support of a recreational fishing licence, but only on the basis that the funds were hypothecated. I am happy that this legislation provides for that hypothecation. Many people have always supported that position because they could see that from the money they invested in having licences there would be real outcomes for the future of fishing in Victoria.

The Honourable Phil Davis, as parliamentary secretary, spent a lot of time and effort pushing the legislation through. It is not easy to have legislation pushed through either a party or cabinet when there is a lack of interest by your colleagues. It would probably be one of the most difficult jobs in the world to do with legislation on recreational fishing because many people do not fully understand or support issues concerning it. If the minister wants any moral support at any stage she should not hesitate to telephone me because I would be only too willing to give her that support. It can be a lonely place when you start talking about fishing, because your colleagues usually look down at the ground or raise their eyebrows because of their lack of understanding.

The RFL has clearly been a success. There is no doubt that the introduction of a licence system in the recreational fishing industry has been totally and absolutely supported. From 15 July 1999 through to 30 June 2000 a total of 234 198 licences were sold, with a revenue gain of \$3 862 574.

I also congratulate Fisheries Victoria, because every fortnight it sends me my 'Fish fax', a document I find incredibly informative. I encourage the minister to ensure she does not pull the plug on that and encourages the department to keep sending it out. It is a very informative document and is a way of communicating with many people out there. I do not know what its distribution is in a given period, but I

hope significant numbers of the document are being received by the many people who are interested in recreational fisheries management issues.

It is encouraging to see that 191 181 annual licences were sold in 1999–2000. Issue 19 of 'Fish fax' dated 29 August left me feeling just a little at odds with the statistics because it showed that I am in the lowest bracket of licences sold — that concerns me greatly — and that the 18 to 25-year-olds made up the largest number of licences sold. It is a very encouraging sign that 33 968 licences were sold to people in the 18-to-25-years age bracket. Unfortunately my bracket is second last.

Hon. E. C. Carbines — Which one is that?

Hon. G. R. CRAIGE — I am not going to read it out, but only 15 312 licences were sold to people in that age bracket. I have to say that I see a lot more people my age when I am fishing than younger people, but I am encouraged that so many younger people are buying licences. It is a good thing.

Hon. C. C. Broad — Perhaps they are understating their age.

Hon. G. R. CRAIGE — Maybe they are. They ask for a person's age, so some may do so.

I strongly support the way the allocation is being put in place. VRFish put out a media release on 19 May. I note it refers only to estimates but I think it highlights some of the issues. It says that the total revenue for 1999–2000 was estimated to be \$4.2 million and ended up at \$3.8 million. A decision had already been made on some of the rough estimates. The release outlines the fact that expenditure totalling \$2.681 million is fixed for the next three years as follows: \$1.5 million for repayments for the commercial bay and inlet licence buy-out; \$658 000 for 10 additional recreational fisheries officers; \$210 000 for VRFish funding; \$160 000 for administration of the recreational fishing licence program; \$50 000 for RFL project management; and \$40 000 for the RFL revenue expenditure committee operation and communications. That is money spent in the right direction. It would have the support of all recreational fishers.

Recreational fishers support the buy-out of commercial bay and inlet licences. When the Kennett government was in office it began a campaign for a buy-out of the licences, and I know that a significant number have now been bought out. Labor Party policy advocated a review of the situation. I believe the buy-out has now been stabilised, and I encourage the government to consider reviewing the whole process in respect of the

buy-out of licences. The former government planned to do that and it should take place.

Reference is made in the second-reading speech to the issuing of infringement notices. The bill facilitates the serving of infringement notices against persons who exceed legal catch limits by a small amount. The minister said:

While it is appropriate for large-scale fisheries offences to be prosecuted through the courts, it is often not appropriate or cost-effective for court proceedings to be commenced for minor breaches of recreational bag limits. In such cases an on-the-spot fine is usually a sufficient deterrent.

I agree with that. I think it is a very good way of proceeding. However, I would like to make a suggestion on this issue.

A small section of the 1999–2000 annual report of the Department of Natural Resources and Environment deals with Fisheries Victoria. It explains fisheries management and aquaculture in two pages. I would like to see the department take a leaf out of the annual report of the Environment Protection Authority. In its annual report the EPA publishes the number of prosecutions that take place each year. I would like to see the annual report of Fisheries Victoria include the number of prosecutions undertaken.

In addition, I wonder whether consideration could be given to publishing, as the EPA does, the number of infringement notices. The number of infringement notices is listed in the EPA report and they are broken up into categories. If that were done with fisheries we could categorise the penalties into bag limits, size or whatever the breach was, and we would know how many offences were in each category. That way a record would be available — and an annual report is probably the place for it to be — showing the number of prosecutions, what the offences were and whether the prosecutions were successful. It would be beneficial for people to know how many infringement notices were being issued, especially in view of the fact that some of the RFL money is going to support additional enforcement officers.

My colleagues have already spoken about the bill pre-empting the inquiry being undertaken by the Environment and Natural Resources Committee and the disappointment of the rock lobster industry at the quota announcement being made prior to this debate in Parliament. I will not dwell on that. The terms of reference for the committee inquiry clearly demonstrate that the minister, the government and the opposition want a review of two important areas.

One of those areas is fisheries management across Victoria. Many points are being made about the issues that will be raised by the inquiry. I refer to point 1.14 on page 3 of the discussion paper under the heading ‘Scope of investigation’. It states:

Management arrangements of all fisheries operating in Victoria, whether marine, estuarine or inland waters and whether based on wild stocks or not will be covered by the inquiry ...

Clearly the committee understands that its inquiry will be covering issues that are covered in the bill. I suppose there is not a lot we can do about that, but it disappoints me to think that we have an opportunity for a committee to look at the issue of the current management of fisheries in Victoria in a very clean way. However, some of those matters will have been passed into legislation before the committee has the chance to inquire into them. The chairman of the committee, the honourable member for Keilor in the other place, said:

While the inquiry would be primarily concerned with organisational structures and processes rather than the making of detailed recommendations for the management of individual fisheries, special emphasis will be given to inquiring into the sustainable management of the Victorian abalone and rock lobster fisheries.

The Honourable Peter Hall made that point. Here we have the minister introducing rock lobster quotas when the press release put out by the chairman of the Environment and Natural Resources Committee says that that was to be a part of its inquiry. The committee has been head off at the pass for some reason. No doubt when the committee starts to delve into why and how that decision was made honourable members will also find out why. I wish the committee well in its deliberations. The outcomes will be important for recreational fishers.

Recreational fishing stakeholders must be recognised. It is important that stakeholders, in whatever guise, have their say and are clearly identified as playing a significant role not only in fishing today but in fishing in the future.

I also recognise that there is a role in the industry for fishing charterers; their input should not be forgotten. They play an important role in enabling people who do not own boats to fish and enabling fishers who want to try other forms of fishing — whether they be fishing for salmon, deep-sea snapper, whiting in Port Phillip Bay, Western Port, the ocean, or whatever — to enjoy that sport.

Over the years I have received much support from Andrew Horne, who operates a good charter service

and who is heavily involved in the business. I also place on record my acknowledgment of the worthwhile endeavours of Rex Hunt Future Fish. The members of Rex's board, whom I know, are motivated and have a clear vision. They should continue to be involved in discussions on recreational fishing. VRFish should also not be forgotten, because it is the peak body for fishers in Victoria.

Significant gains have been made in recreational fishing with the introduction of licences. Now the legislation introduces the recreational fishing licence trust account and the well-structured Fisheries Revenue Allocation Committee. That good committee reflects the interests of recreational fishers. Those two important parts of the legislation put a final stamp on much of the work done.

I conclude with a quotation directed to Victorian recreational fishers. It is from page 69 of *Quotations from Chairman Mao Tsetung*:

Just because we have one victory, we must never relax our vigilance against the frenzied plots for revenge by the imperialists and their running dogs. Whoever relaxes vigilance will disarm himself politically and land himself in a passive position.

The Liberal Party does not oppose the bill.

Hon. E. C. CARBINES (Geelong) — I am pleased to support the Fisheries (Amendment) Bill. Many Geelong residents have a keen interest in fishing, either as recreational fishers or through their employment in or ownership of fishing enterprises in the region. An internationally recognised organisation, the Marine and Freshwater Resources Institute (MAFRI), is located in my electorate. It capably assists in the research and development of ideas concerning fishing in Australia and the world.

Associated with MAFRI is the Marine Discovery Centre at Queenscliff. I have had the pleasure of visiting the centre a number of times. It aims to educate primary and secondary school children to develop a love for and a desire to protect the marine environment. I congratulate scientists at both centres on their work.

Earlier this year the Minister for Energy and Resources attended a fishing forum at the Wool Museum in Geelong. I too had the privilege of attending that groundbreaking forum. It was organised to acknowledge the role women play in fishing, because they have never been publicly acknowledged nor have their views been sought. Women associated with fishing across the state travelled to Geelong that day, and I thank the minister for holding the forum in Geelong. The women were forthright and held diverse views. They were impressed that the Bracks

government was asking them for their opinions on fishing.

The aim of the bill is to amend the Fisheries Act to introduce a number of reforms and to ensure ongoing improvement to the management of fisheries resources. That aim will be achieved through strengthening the provisions of the principal act and changing management and administrative processes.

Fishing is an important contributor to the economy of Geelong, and it provides much recreational pleasure for many Geelong residents. It is essential that Victoria's fisheries resources and ecosystems are sustainably managed and protected for the long-term benefit of not only the present generation but also future generations.

It should be noted that the draft bill was released for public comment in July, and the bill incorporates some of the suggestions made in submissions received by the government through that process. I am pleased that the bill fulfils an election promise made by the ALP by establishing a trust account for revenue collected from recreational fishing.

The house has heard honourable members say the establishment of the recreational fishing licence trust account is a positive measure and that the Fisheries Revenue Allocation Committee will advise how the money from the trust account will be disbursed. I am particularly pleased that the funds derived from recreational fishing licences will be poured back into improving recreational fishing. I am sure that move will be strongly supported by the Victorian branch of the Australian Recreational Fishing Alliance, representatives of which I met at my electorate office earlier this year. As an honourable member for Geelong Province I support the initiative and congratulate the minister on it.

Recently the Bracks government announced a \$1.2 million allocation for the upgrade of the major Geelong boat ramp, which is at Limeburners Point. News of the upgrade has been warmly received by the recreational fishers who use the ramp.

Although the vast majority of people who fish in Victoria are decent people who are happy to abide by the laws governing fishing, sadly some selfishly flout the law and fish illegally. The bill tightens the law and provides greater enforcement measures. I will not go through each clause as other honourable members have done; the merits of the bill have been well canvassed in the debate. The bill will protect Victoria's fishing resources to ensure they remain sustainable into the future.

The Geelong region is well known for its aquaculture industry. Several successful such businesses operate in my electorate. Recently residents of Indented Head on the Bellarine Peninsula expressed concern about a proposed aquaculture development on The Esplanade for which the City of Greater Geelong has granted a permit. I understand objections to the permit have been lodged and the case is now before the Victorian Civil and Administrative Tribunal.

I am pleased that the Fisheries (Amendment) Bill includes provisions in clause 8 to cater for the removal of commercial aquaculture equipment when an aquaculture licence has been cancelled or expired. I can give an example of the importance of that.

In the early 1990s the farming of native flat oysters was trialled on a commercial basis in the northern part of Swan Bay. The Australian Flat Oyster company placed about 500 oyster trays and associated racking in Swan Bay to trial the farming of native flat oysters. However, the trials were discontinued after about two years and the company left the oyster farming equipment in Swan Bay, taking no responsibility for its removal. That action had the potential to harm environmentally sensitive Swan Bay. Concerns were raised by the Victorian National Parks Association, the Environment Protection Authority and local Queenscliff and Point Lonsdale residents, who are very vigilant about the protection of Swan Bay. The company ignored numerous written requests from the Department of Natural Resources and Environment to remove the equipment.

Unfortunately the Fisheries Act of 1995 did not require aquaculture licence-holders to clean up sites following the cessation of operations. I am therefore pleased that the bill seeks to address that situation relating to Crown land and waters. It was not until August last year that the derelict oyster farming equipment was removed from Swan Bay, having been there for several years. The Department of Natural Resources and Environment had to meet the cost of that removal, which amounted to \$16 000, so ultimately it was the taxpayers of Victoria who paid for the removal of that derelict equipment and not the company that left it there. I congratulate the minister on addressing that situation in the confines of the bill.

I commend the minister for her strong commitment to sustaining our fishery resources, which are so important to our environment, the Victorian economy and the recreational pursuits of thousands of Victorians. I wish the bill a speedy passage.

Hon. J. W. G. ROSS (Higinbotham) — It gives me great pleasure to speak on the Fisheries (Amendment) Bill and to indicate that the opposition will not oppose it. The bill is another step in the long evolution of developing a balance between the needs of fishers and the environment and between recreational and commercial fishers.

In short measure the bill represents a further refinement of the process begun with the complete rewriting of the Fisheries Act in 1995. In summary, it provides a new process for varying fishery licences and conditions of licences. It allows for the permanent transfer of quota units with, I am pleased to say, the approval of any holder with a financial interest. It enables the secretary of the department to issue removal and retention notices. It enables the prohibition of offenders from being in or on certain Victorian waters. If people infringe against any regulations under the Fisheries Act and are repeat offenders or recidivists, one way to deal with that is to issue a prohibition notice and to prevent those persons from entering certain fisheries and waterways. The bill establishes the recreational fishing licence trust account and the Fisheries Revenue Allocation Committee. It also contains a raft of minor miscellaneous amendments to the Fisheries Act.

I am interested in the legislation because my electorate is bounded on the west by Port Phillip Bay and has a number of keen fishers. In particular I mention the Ormond and Sandringham amateur angling clubs, which not only service the fishers but provide a great opportunity for families to recreate by the sea and pursue their interests. At the southern end of my electorate is one of the more important entry points to the bay for both commercial and recreational fishers.

Recreational angling is an extremely important activity, and estimates of its value vary from that estimated by the Port Phillip and Western Port Professional Fishermen's Association of around \$120 million a year to \$1 billion, as claimed by the Victorian recreational fishing peak body and the Victorian Fishing Tackle Association. It is an extremely wide range, and I guess the real value to Victoria of recreational fishing falls somewhere between those two extremes.

Some years ago Uncles undertook a precise study and found that recreational fishers spent well over \$1 billion a year and provided about 27 000 jobs. Further it was found that if there were no recreational fishing industry the total amount of income distributed to Victorian households would fall by about \$830 million per annum. I must also add the value of tourism and the fact that recreational fishing and the amenity offered by

Port Phillip Bay, particularly in my area, does a great deal to attract tourists.

Since the 1960s recreational fishers have sought assistance to reduce the serious impact of declining fish habitats as a result of commercial overfishing. I acknowledge that there has been a long-term struggle against the environmental impacts of commercial fishing, especially in areas such as Port Phillip Bay, Western Port and Corner Inlet. Inevitably opinion is divided as to who does all the damage to fish populations in Victoria's bays and estuaries. On the one hand, recreational anglers lay the blame for the destruction of habitats on the commercial fishing industries. That was certainly so in the past with scallop dredging, netting and longline fishing in bays and inlets. In the relatively recent past as many as 300 commercial boats were working in Port Phillip Bay. On the other hand, professional fishermen suggest that the portion of fish taken by recreational anglers is in the vicinity of at least 70 per cent and that sporting anglers are mainly to blame for the reduced catch.

Wherever the truth lies, I am proud to say that the rewriting of the 1995 act and subsequent legislation brought before this place by the Kennett government had a real impact on achieving a more equitable balance between recreational and commercial fishers. To illustrate that I need do no more than mention the buy-out of scallop commercial fishing licences and the voluntary licence buybacks for commercial fishers in bays and estuaries.

That is not to suggest that the commercial fishing industry does not have a real economic place in Victoria. It provides a relatively stable catch of something like 15 000 tonnes of seafood each year and employs about 1900 licensed fishers and crews. The core of the industry comprises a fleet of something like 1000 boats.

In addition to that important source of employment and food production, there are at least another 4500 individuals who are involved in marketing the catch that contributes to the average consumption of every Victorian of about 17 kilograms of seafood each year. Suffice it to say that shark, which is presented locally as flake, fin fish such as flathead, snapper and whiting, and shellfish represent an industry worth in the vicinity of \$100 million per annum at first sale and tens of millions of dollars in processing down the line.

However, interestingly enough, it is not the fin fish that are the most important economic component of the marine economy, but rather the more elite catches of rock lobster and abalone that mostly find their way to

export markets. For example, Victoria's production of wild abalone represents something like 10 per cent of the world catch. With an annual value of the order of \$50 million it is equal to all the rest of the fishing industries combined. The worldwide appetite for abalone presents Victorians with an enormous export opportunity for both wild catches and aquaculture product. It is important that these stocks are well managed and maintain their sustainability into the future.

However, abalone poaching is generally acknowledged as being one of the greatest single threats to the industry. I am pleased to say that clause 10 of the bill makes specific mention of abalone poaching offences. As is the case with the more general patterns of enforcement, a two-tiered system has been set up. Where a person takes more than the catch limit of abalone but not more than twice that limit, he or she is able to be offered an on-the-spot penalty. A person who takes or possesses more than twice the catch limit is guilty of a more serious offence.

I believe that approach to enforcement is intensely practicable. It conserves the resources of the courts and means there is a greater likelihood of people being detected for breaches of the Fisheries Act at levels that might otherwise be ignored.

The point has already been made that a number of other inquiries are on foot. Ricketts Point in Beaumaris, an area that I have taken a particular interest in, has been subject to the review conducted by the Environment Conservation Council. In that vicinity there is a proposal for a marine park above the whiting grounds. Suffice it to say that that marine park has been the subject of local consultation. I am pleased to say that it seems very likely that when the recommendations are finalised they will meet local needs and not extend beyond the cardinal marks of the reef.

The establishment of the trust account for the hypothecation of all recreational fishing licence fees is welcome. The Fisheries Revenue Allocation Committee seems to be well balanced, and I have no doubt that it will achieve its objectives.

There is a need for enforcement in these vital industries. However, another most important point is the education of the general public about recreational fishing. I have previously raised with the minister the fact that I was not convinced that conspicuous signage showing fish types, bag limits and fish sizes was sufficiently extant in my electorate. The minister responded to my query by saying that there were insufficient launching points in my electorate that would warrant that sort of signage.

I mention in particular the Black Rock pier, where it was argued that it was simply not possible to erect such signage and that a small stainless steel ruler on the pier would suffice.

I certainly take issue with that argument. I believe launching places such as Mordialloc Creek, the Beaumaris Motor Yacht Squadron boat ramp, the public launch facilities at North Road and areas in the vicinity of Black Rock pier are some of the most important launching areas around the bay for recreational fishers, and I renew my plea that when the money starts to flow from the recreational fishing trust account those sites get due consideration and that the education of the public achieves its proper place.

In closing I make a plea on behalf of my electorate on the need for research on such issues as the nutrients discharged into the bay through waterways like Mordialloc Creek, the monitoring of the effects of tidal and sand movements on fish habitats and beaches, especially the restored beaches at Brighton and Hampton, where the environmental and visual impact of groynes in the water needs to be thoroughly analysed.

I am also concerned about the possible encroachment of exotic marine pests like the Mediterranean fan worm, *Sabella spallanzanii*, which has colonised the western half of Port Phillip Bay since it was first discovered in the Geelong arm in the late 1980s. I also have concerns about the possible impact of pests and chemicals on aquaculture in my electorate, especially the famous Keefer's mussel farm at Beaumaris.

It has been my privilege to put some local content into the debate on the bill and its effects in my bayside electorate. With those few words I reiterate that the opposition does not intend to oppose the bill.

Hon. R. H. BOWDEN (South Eastern) — The Fisheries (Amendment) Bill is significant to the Victorian economy. Other contributors to the debate have presented facts and figures verifying the large economic contribution that recreational fishing makes to the Victorian economy. They emphasised the importance of the maintenance and productive management of commercial fishing. It is vital that proper management and control of the fishing resources of the state occurs. Recreational fishing should mean that people who want to fish for recreation are able to do so without taking with them a telephone book-sized set of regulations. I will refer to that issue later.

As I said, it is important to protect fishing resources. South Eastern Province is often the home of and host to

a great many people who fish in Victoria. It comprises the Mornington Peninsula, Western Port, Port Phillip Bay and the coastline stretching to Inverloch. In a typical calendar year tens of thousands of people head to my province to visit far-flung villages and towns along the coastline to indulge in recreational fishing.

I repeat: commercial fishing is extremely important. I record my appreciation of two major participants in the commercial fishing industry: abalone divers and rock lobster producers. Abalone divers are business people who have a difficult and demanding profession. They operate in dangerous conditions. They are excellent providers for the state in terms of their economic contribution. I am one of many honourable members who support the professional abalone producers, and I will continue to support the industry. They are good business people who make a contribution and earn their income the hard way, and that should be appreciated. Proposed new section 68A(3) and (5) substituted by clause 10 refers to offences in relation to abalone. The provision will assist abalone divers because it will make it more difficult to poach the product.

Like other honourable members I was disappointed recently to learn that the government had decided to proceed with a quota system for rock lobster producers. On a number of occasions in this chamber I have referred to the quota system for rock lobsters and the advice I have received over many months from participants in the industry. The professional people understand the industry. Many of them have been involved in it for generations, and they believe the quota system is not the way to go. The advice to me, which I passed on to the government prior to it making the decision about quotas, was that the industry preferred the input control method, which employs such variables as timing, season, the size of the females and the number of pots. I emphasise my concern about the employment prospects and other interests of those involved in the rock lobster industry who live along the coastline of my electorate. In conjunction with the industry I have an ongoing task to ensure that it is protected. I am concerned that the quotas should be viable and practical, but they may not ensure sensible and ongoing employment opportunities for people involved in the rock lobster industry, particularly those in the eastern zone of my province.

Proposed new sections 64 and 65 substituted by clause 9 relate to quotas. I believe quotas will need to be reviewed constantly because the economic impact of quotas must not be to the detriment of the many families who have been involved in the industry for generations and who have an emotional, financial and

real commitment to the important product they produce for our state.

Proposed sections 130A and 130B inserted by clause 14 put the legislative framework in place to prohibit persons who are the subject of court orders from being on or in Victorian waters. It applies to repeat offenders in this state or in other states of Australia or to people who have infringed commonwealth laws. I understand the difficulties that have occurred in the past relating to jurisdictional problems and policing those aspects involving repeat offenders who have fished in Victorian waters illegally. However, I am concerned that someone may be subject to a prohibition order from a far-flung court appearance in another part of the country and may not have offended in this state. I understand the difficulties, but I register my concerns about the provision.

Proposed section 110A inserted by clause 12 relates to authorised officers not committing offences in certain circumstances. The provision relates to undercover work in the detection and prevention of illegal operations. I believe there is some cause for consideration and possible concern if people are excused from breaking the law in order to catch people who are breaking the law. I do not feel comfortable with that. I understand the reasons behind the provision but I feel uncomfortable that in order to catch people who are breaking the law other people should break the law. It is not an ideal situation. The government should give more thought to that provision. I am not happy about it.

The substantial activities of recreational fishing in Victoria require access to our waters. Recently the Environment Conservation Council issued a report that has implications for access to recreational fishing, and certainly for the rock lobster and abalone industries. I am signalling my concern about access to Victorian waters. The bill must be in harmony with the true needs of both recreational fishers and genuine commercial and professional producers such as those involved in the abalone and rock lobster industries. It is not necessary for people to take a fanatical approach to the ECC report and try to lock away substantial stretches of water. It is about sustainability, reasonable access and due care, so that the community has the opportunity to engage in recreational, commercial or professional fishing on an ongoing and sustainable basis. I will not be happy if the ECC restricts access for many hundreds of thousands of people who fish in our state each year.

In conclusion, the creation of the recreational fishing licence trust account, the funds of which will be distributed through the minister's office, is a good idea.

The Fisheries Revenue Allocation Committee, which will provide advice and guidance on the distribution of those funds, is also a good idea.

When people go to enjoy recreational fishing, they do not want to have to take sets of rules and regulations as big as a telephone book. There have been so many provisions, amendments and regulations introduced in the past that, even though each of the clauses in the bill could be argued as being desirable, at the end of the day if we end up with too much control many Victorians who go fishing for recreational or commercial purposes will quickly become concerned about over-regulation. I wish the bill a speedy passage.

Motion agreed to.

Read second time.

Third reading

Hon. C. C. BROAD (Minister for Energy and Resources) — By leave, I move:

That this bill be now read a third time.

I thank the Honourables Philip Davis, Kaye Darveniza, Geoff Craige, Elaine Carbines, John Ross and Ron Bowden for their contributions. In particular I thank the Honourable Geoff Craige for his quote from the *Little Red Book!*

A number of matters were raised during the second reading debate, and I do not propose to respond to all of them. An exposure draft of the bill was released and many matters raised in consultations on that draft have been incorporated in the bill. The number of issues that remain are relatively small compared with the matters that have been incorporated in the bill.

Several honourable members referred to the government's recent decision about the management of the rock lobster fishery. I do not propose to respond to the issues raised as they are not affected by the content of the bill. However, I give an assurance to members who have raised those matters that there will be extensive consultation about implementation of the decision on the management of the rock lobster fishery. I commend the bill to the house.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

**AGRICULTURAL INDUSTRY
DEVELOPMENT (AMENDMENT) BILL**

Second reading

**Debate resumed from 14 November; motion of
Hon. C. C. BROAD (Minister for Energy and Resources).**

Hon. E. G. STONEY (Central Highlands) — It gives me great pleasure to contribute to the debate on the Agricultural Industry Development (Amendment) Bill. The opposition agrees with the bill and will not oppose or amend it.

The bill substantially contributes to both regulation and national competition policy. It is good to see the government subscribing to those philosophies. It has picked up the bones of a bill being developed under the Kennett government and added some flesh to it.

From a casual observation it appears that the government has softened its attitude to national competition policy and deregulation since its days in opposition. The original act enabled committees to be established to collect compulsory charges from producers for research and development, pest and disease control and market promotion. They could recommend and fix prices and terms of payment and resolve disputes. They had many other functions.

The minister's second-reading speech explains that independent consultants carried out a national competition policy review of the act, and five orders were made relating to wine grapes in the Murray Valley region, fresh tomatoes in northern Victoria, strawberries and emus. It goes on to note that the Victorian and New South Wales governments have accepted and agreed to implement all recommendations of the review, including some interstate arrangements.

The bill abolishes the power of committees to set prices for the industries I have just mentioned. It establishes provisions for research and development funds through the pooling of contributions to generate a sufficient level for effective research and development and promotion. It is important to have enough money to carry out effective work in those areas.

The bill changes the method of voting to what is claimed to be a more equitable approach for producers. That may occur when an industry order is made to authorise funding for matters such as disease control or research. Large producers will now have multiple votes which replaces the original system of one vote per producer. It is claimed this is more equitable than what happened in the past when myriad small producers who were responsible for a fraction of the production had

the major say. There was some debate about the change, and I understand the government has assured the industry that if there is a contentious issue negotiations will take place. I recognise that many small producers are nervous about the change and the way voting is carried out. The bill provides that once a minister gives a direction for the secretary to establish an order, producers should be consulted. The difficulty is that the secretary does not necessarily have to accept any concerns raised in the consultation process.

I understand there is some disquiet in the wine industry about proxy voting. The industry is nervous about proxy voting being allowed for the establishment of an order. There appears to be a need for more explanation and consultation with the wine industry on this issue.

On a positive note, the bill makes it possible for the wine industry to have separate cells of growers. It gives growers in particular areas control over their own destiny, including areas such as the Yarra Valley, the King Valley and Mildura. In my electorate the Yarra Valley is a premium wine area, perhaps arguably the best wine area in Australia, where growers could agree to instigate a new scheme perhaps for local promotion.

An article in the *Age* of 7 February entitled 'Grape price drop jolts state growers' reads:

The Victorian Wine Industry Association estimates plantings have increased 45 per cent in the past three years. But financial reality, especially for some small growers, is about to bite.

That is an example of how an order may be made. If Yarra Valley growers vote to start a new promotion scheme the funds they raise are hypothecated to their area and they have control over their own destiny. The bill provides for a modern, deregulated world and will upgrade and facilitate opportunities. There is no doubt that the old legislation was out of date. The bill is practical, provides accountability and has a reporting procedure.

I conclude by giving some facts about the industries specified in the bill. An article in the *Age* of 25 January 1999 is headed 'Wine production on the rise'. My last quote was about prices dropping but this article is about wine production on the rise. The article states:

Premium red plantings are expected to boost Victoria's output 18 per cent over the next three years.

...

The report said projected production of Victorian winegrapes would be ... 274 331 tonnes in 1999–2000; and 293 846 tonnes in 2000–01, a rise of 18.4 per cent over the three years from 1997–98.

That is a lot of wine and a lot of grapes in a big industry.

The tomato industry is mentioned in the bill. It is a big industry in the electorates of the Honourables Ron Best and Jeanette Powell. Tomatoes are an important industry for Victoria. According to the Australian Bureau of Statistics figures on tomatoes, Australia's tomato harvest of 394 000 tonnes in 1998–99 was an increase of 4 per cent over the previous year. Victoria was the main producing state, accounting for 57 per cent or 225 000 tonnes of the national harvest.

Mr Bill Ashcroft, the leader of the vegetable section of the Department of Natural Resources and Environment in Tatura, states:

North-central Victoria is a major production area for fresh and processing tomatoes ... DNRE is the major R and D provider to both these industries. All the major tomato processors ... are also located within 60 kilometres of Tatura, providing further opportunities for linkages.

On the issue of fresh tomatoes Mr Ashcroft states:

This industry is centred around Shepparton in the Goulburn Valley. Victorian growers provide up to 75 per cent of fruit on eastern seaboard markets over the summer months ...

In conclusion I turn to the emu industry. Information has been provided by the president of the Emu Producers Association of Victoria, Mr Neil Duncan, who states that the main products include skin, meat and oil. Meat sales are mostly international, with some local sales. The emu herd has downsized dramatically. The main product is oil, which is very attractive for cosmetic and pharmaceutical use.

The big issue facing the industry is research funding. Once again the trend is noted: there is a desperate need for ongoing research, development and promotion. They are vitally important. The emu industry, which has seen massive change and been through some very hard times, is potentially valuable. It is rebuilding and is optimistic about its future. I believe the bill will assist the industry.

The bill will assist several important Victorian rural industries, and I do not oppose it.

Debate adjourned on motion of Hon. J. M. McQUILTEN (Ballarat).

Debate adjourned until next day.

GAS INDUSTRY ACTS (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

**Read first time on motion of Hon. C. C. BROAD
(Minister for Energy and Resources).**

House adjourned 6.00 p.m.

