SPORT, RECREATION AND RACING — OVERSEAS TRAVEL

(Question No. 267)

Mr HAERMeyer asked the Minister for Sport, Recreation and Racing:

In respect of expenditure on overseas travel by each department, agency or authority within his administration for the period 3 October 1992 to date:

1. What the name was of each individual undertaking such travel and to what destinations?
2. What was the purpose of visiting each destination?
3. With whom did the Minister or persons undertaking such travel meet and for what purpose?
4. What costs were associated with the travel indicating: (a) airfares; (b) car rental and hire cars, including type of cars hired or rented; (c) taxis; (d) accommodation, including name of establishment and the itemised costs; (e) entertainment, including nature, venue and itemised costs; and (f) other expenses?
5. Whether family members, associates, or guests accompanied the traveller(s) on each trip; if so, at what cost?

Mr REYNOLDS (Minister for Sport, Recreation and Racing) — The answer is:

SPORT RECREATION AND RACING AND RESOURCE MANAGEMENT DIVISIONS:
No overseas travel in the period specified.

NATIONAL TENNIS CENTRE TRUST:
No overseas travel in the period specified.

GREYHOUND RACING CONTROL BOARD:
No overseas travel in the period specified.

HARNESS RACING BOARD:

Name: J Sadler
Destination: New Zealand
Purpose: Harness racing promotional trip
Contacts:
Costs: $1,125.00 (Expenses); $534.00 (Airfare)
Accompaniment: Nil

TOTALIZATOR AGENCY BOARD:

Name: D Yin
Destination: Vanuatu
Purpose: Conduct of TAB Business
Contacts:
Costs: $1,204.00
Accompaniment: E Dyer

Name: E Dyer
Destination: Vanuatu
Purpose: Conduct of TAB Business
Contacts:
Costs: $1,204.00
Accompaniment: D Yin

Name: I Obersnel
Destination: Vanuatu
Purpose: Conduct of TAB Business
Contacts:
Costs: $1,097.00
Accompaniment: Nil

Name: D Yin
Destination: Vanuatu
Purpose: Conduct of TAB Business
Contacts: 
Costs: $1,192.00
Accompaniment: Nil

Name: S Alabaster
Destination: USA
Purpose: Conduct of TAB Business
Contacts: 
Costs: $10,260.00
Accompaniment: M Handojo; J Dargan; N Spencer

Name: M Handojo
Destination: USA
Purpose: Conduct of TAB Business
Contacts: 
Costs: $2,246.00
Accompaniment: S Alabaster; J Dargan; N Spencer

Name: J Dargan
Destination: USA
Purpose: Conduct of TAB Business
Contacts: 
Costs: $24,012.00
Accompaniment: S Alabaster; M Handojo; N Spencer

Name: N. Spencer
Destination: USA
Purpose: Conduct of TAB Business
Contacts: 
Costs: $8,030.00
Accompaniment: S Alabaster; M Handojo; J Dargan

Name: M Long
Destination: South Africa
Purpose: Conduct of TAB Business
Contacts: 
Costs: $7,829.00
Accompaniment: B Roffey

Name: B Roffey
Destination: South Africa
Purpose: Conduct of TAB Business
Contacts: 
Costs: $4,040.00
Accompaniment: M Long

Name: B Roffey
Destination: Hong Kong
Purpose: Conduct of TAB Business
Contacts:
Questions on Notice

As many of the TAB’s activities are commercially sensitive, specific details of purpose and contacts have not been supplied. I am advised that all overseas travel was directly related to the conduct of TAB business and had been appropriately approved.

It is assumed that the expression “department” means my portfolio of Sport, Recreation and Racing within the Department of Arts, Sport and Tourism. Resource Management Division/Office of the Secretary details have been incorporated as they relate to the department as a whole. The time and resources required to provide the level of detail requested cannot be justified and a summary of information which is reasonably accessible or has been supplied by agencies and authorities is provided.
ROADS — REDUCTION IN SNOW CLEARING OPERATIONS

(Question No. 286)

Mr THOMSON asked the Minister for Public Transport:

In relation to the reduction from 294 in 1992-93 to 240 in 1993-94 in the number of operational days on which roads are de-iced and cleared of snow, as reported at page 296 of Budget Paper No. 4, Budget Estimates 1993-94, whether he will advise of the reasons for that reduction and any subsequent impact?

Mr BROWN (Minister for Public Transport) — The answer is:

The matter raised by the honourable member does not fall within my portfolio. However, the following advice has been received from the Minister for Roads and Ports:

The actual number of operational days on which roads are de-iced and cleared of snow in any one year is dependent on the climatic conditions in the alpine areas.

The 1993-94 figure of 240 days is an estimate of the time expected to be spent on this activity between 1 July 1993 and 30 June 1994. The estimate is based on normal alpine climatic conditions and does not represent a reduction in the level of service.

In 1991-92 and 1992-93, snowfalls were above average and this is reflected in the increased number of operational days during the period 1 July 1992 to 30 June 1993 of 294 days.

Given the light snowfalls experienced during the 1993 snow season, it is possible that the total number of actual operational days during 1993-94 could be fewer than 240 days.
Thursday, 10 March 1994

QUESTION ON NOTICE

PUBLIC TRANSPORT — LEGAL REPRESENTATION AND EXPENSES INCURRED

(Question No. 154)

Mr HAERMeyer asked the Minister for Public Transport:

In respect of legal expenses incurred by each department, agency or authority within her administration for the period 3 October 1992 to date:
1. What were the cases in which these legal expenses were incurred?
2. What expenses were incurred in each case?
3. What was the purpose for engaging legal representation in each case?
4. What was the outcome of each case?
5. What were the names of legal counsel engaged in each case?
6. What was the name of the city and court in which each case was heard?

Mr BROWN (Minister for Public Transport) — The answer is:

In respect of the use by agencies within the public transport portfolio of non-public sector legal services in court cases, the Public Transport Corporation advise that it has been involved in such cases, but the detailed information is not retained in the form being sought by the honourable member. To identify and extract the detailed information would require the application of considerable time and resources which could not be justified. However, should the honourable member identify a particular area of interest, it may be possible to provide the information.
Tuesday, 22 March 1994

The SPEAKER (Hon. J. E. Delzoppo) took the chair at 2.05 p.m. and read the prayer.

DISTINGUISHED VISITORS

The SPEAKER — Order! On behalf of the Legislative Assembly it is my pleasure to extend a warm welcome to a delegation from Papua New Guinea led by Mr Nali. Mr Nali's party consists of young politicians who were selected by the Speaker of their Parliament to come to Australia to gain political experience and to see other Parliaments at work. We are pleased and privileged to have you visit us and I trust that your visit during question time will be an experience.

ABSENCE OF MINISTERS

The SPEAKER — Order! I advise the house that the Minister for Health and the Minister for Community Services will be absent from question time today as they are attending the health and community services ministerial council. The Premier will handle any matters relating to the health portfolio and the Minister for Finance will handle any matters relating to the community services portfolio.

QUESTIONS WITHOUT NOTICE

Mount Stirling ski development

Mr BRUMBY (Leader of the Opposition) — I ask the Minister for Natural Resources to explain to the house why he has approved a down-hill ski development at Mount Stirling without any public consultation as required by the Alpine Resorts Act and without conducting —

Mr Kennett — Wrong!

Mr BRUMBY — They are in court!

Mr Kennett — You're hopeless!

The SPEAKER — Order! The Leader of the Opposition is entitled to ask a question without a barrage of interjections.

Mr BRUMBY — Yes, I will read the question again. It is an important question; it is about process. Can the Minister for Natural Resources explain to the house why he has approved a down-hill ski development for Mount Stirling without any public consultation as required by the Alpine Resorts Act and without conducting an open tender process?

Mr COLEMAN (Minister for Natural Resources) — There has been no approval of any project at Mount Stirling.

Premiers Conference

Mr HYAMS (Dromana) — Will the Premier inform the house of the Victorian government's approach to the Premiers Conference that is due to take place on Friday in Canberra?

Mr KENNETT (Premier) — I thank the honourable member for the question and for his ongoing interest in matters of relevance to the state of Victoria. The current three-year guarantee of maintenance of the financial grants pool expires this year. Over a long period discussions have taken place between state and federal governments to try in partnership with the commonwealth to bring about a better financial arrangement for the states.

The new federal Treasurer, Mr Willis, has indicated that the commonwealth will offer the states a new three-year deal, including an increase beyond the simple maintenance of the pool in real terms. Details of what Mr Willis has referred to and what the commonwealth proposes have not yet been made available to us. If what appears to be the case at first blush is borne out following deliberations over the next few days and on Friday, it is possible that we will see a better relationship between the states and the commonwealth for the redistribution back to the states of revenue collected by the commonwealth.

We have a couple of concerns: firstly, the size of the pool itself; and, secondly, the distribution and manner of distribution of the pool. It should be remembered by all honourable members that financial assistance grants to Victoria as a proportion of commonwealth tax revenue have fallen from an average of 18.9 per cent in 1976-77 to about 14 per cent in 1993-94. In other words, the actual reduction in the amount of money going to the states over the period has been in the order of $4 billion. Even allowing for an increase during that time of
$235 million in specific-purpose payments, the states have suffered a net loss in excess of $3.7 billion.

We are not saying, and we therefore cannot expect, that the commonwealth will make up that loss at one fell swoop. Suffice to say that it gives us the opportunity of sitting down in a cooperative way with the federal government in trying to redress that balance. After all, the moneys that come back to the state are moneys collected from Victorians, paid into the federal government’s revenue pool and redistributed. Moreover, the states are responsible for providing actual services.

There is no doubt that the states have been disadvantaged by the way in which, over the past 10 years, the percentage of commonwealth revenue they receive has dropped from about 18.9 per cent to 14 per cent. We will go to the Premiers Conference again ready to work constructively with the federal government to the advantage of the community — as in the recent past the current government has shown it is able to do with the federal Labor government — in a way the Labor government in Victoria was not able to do.

We go in a cooperative spirit and hope that this time the commonwealth will deliver a real benefit to the states by addressing the loss of about $3.7 billion in revenue to the states in a period during which demand for services has been increasing.

**Director of Public Prosecutions**

**Mr COLE** (Melbourne) — My question without notice is to the Attorney-General. Did the Secretary to the Department of Justice, Mr McCann, the Crown Counsel, Mr Craven, or any other officers of the department have discussions regarding the necessity for a bill to get rid of Director of Public Prosecutions, Mr Bongiorno, because he had considered bringing contempt charges against the Premier?

**Mrs WADE** (Attorney-General) — I hardly think this question is worth answering, but there has never been any intention — —

**Honourable members interjecting.**

The **SPEAKER** — Order! I will allow the Attorney-General to finish her question when the house comes to order. She cannot give her answer in the face of a barrage of interjection.

**Mrs WADE** — There has never been any intention on the part of the government to get rid of the DPP, which I think were the words used by the honourable member for Melbourne. It is the opposition which continues to raise this issue and which continues to voice concern about the position of the Director of Public Prosecutions.

**Business opportunities in Asia**

**Mr FINN** (Tullamarine) — Will the Premier inform the house of initiatives undertaken by the Victorian government to take advantage of emerging opportunities for Victorian business in Asia?

**Mr KENNETT** (Premier) — I thank the honourable member for his question and his continuing interest in what is obviously a large growth area for Victorian and Australian business — one that although supported by the Prime Minister is opposed by the opposition in this state.

Since being elected 17 months ago the government has undertaken a whole range of initiatives in trying to establish relationships with various countries in Asia and continues to build on Victoria’s relationship with its sister state, Jiangsu Province. During that period Victorian government representatives have visited not only China but also Vietnam, Singapore and Japan. The Minister for Industry and Employment has undertaken trips into that area both — —

**Honourable members interjecting.**

**Mr KENNETT** — Is it any wonder that no-one out in the public area supports this mob on the other side? They put forward no constructive thought or comment. The Minister for Industry and Employment led an industry mission to Asia and later this year we will be going back to Japan to...
continue to build upon the opportunities that are opening up.

I do not think anyone on the government side of the house underestimates the opportunities that lie to Victoria's north as emerging countries make greater demand for — —

Honourable members interjecting.

Mr KENNETT — It is just hoped that those who sit and observe this Parliament today will understand what a rabble we have as an opposition. It is why — —

The SPEAKER — Order! During the last few days of sitting I have had cause to speak to the Deputy Leader of the Opposition, who persists in making inane comments across the table. The Chair will not tolerate it further.

Mr KENNETT — I am also reminded that earlier this year my colleague the Minister for Health visited Hong Kong and addressed many of the health authorities there. That visit has led to the Hong Kong government now moving to introduce case-mix funding into the operation of its health programs in Hong Kong.

Also, the Deputy Premier has visited Japan, Taiwan and Hong Kong this year not only to try to regain some of the ground that was lost by the previous administration, particularly in tourism and industry, but also to attract new flights to Melbourne from Taiwan in particular.

The government is convinced that Victoria's long-term future as a community will be aided by its special relationship with the Asian communities. The Australian Bureau of Statistics figures on export growth in the past 12 months show that Victoria has had the greatest increase in manufacturing exports in Australia; it has been of the order of 16 per cent, and most of the exports went to the Asian region.

The government is very much pro-active in trying to identify new overseas opportunities for Victorian businesses. It is also prepared to work with Victorian businesses in establishing overseas and remitting profits to Victoria to shareholders and the community by way of dividends. The government is also interested in attracting new investment from Asia into Victoria.

In about a week a Japanese firm called Snow will open a new processing plant at Tatura. That firm has selected Australia, Victoria and Tatura as the base for its investment. It purchases raw material, processes it and thus adds value, produces powdered milk and exports it back to Asia. The aim is to add value to our primary production and where possible to have that investment clearly established in rural Victoria.

Last Wednesday I had the opportunity of visiting a factory in Melton with one of the Labor members who was very interested in the new development. It is in his electorate, not in one represented by a government member; the government assisted in establishing it in Melton. We have attracted a company from South Korea that actually processes wool through value adding and employs people in the Melton community.

Regrettably, there will always be members of the opposition who are negative and who do not understand the nuances and changes that are taking place in our society today. Not only does the government make no apology for establishing links and doing business with Asia but it will be very much pro-active; it is looking for opportunities all the time. Ultimately an increase in Victoria's employment levels will come only through significant growth in the private sector, particularly small and medium-sized businesses. It is just a pity — —

Mr Sercombe interjected.

Mr KENNETT — All they do is whinge and whine. They never have anything constructive to say.

Honourable members interjecting.

Mr THOMSON (Pascoe Vale) — On a point of order, Mr Speaker, the Premier is now in breach of standing order no. 127, which forbids members from debating any matter to which the question refers. Also, the length of the Premier's answer has been of the order of 10 minutes. During that time another Victorian has packed up and headed north for good. You need to ensure that the length of ministerial answers does not amount to an attempt to talk out question time.

Mr KENNETT — On the point of order, Sir, my answer to the question asked by the honourable member for Tullamarine concerns a pivotal matter affecting Victoria's future not only for the rest of this decade but into the 21st century. A lot of what the government is doing is affecting the state as a whole without any discrimination between electorates
based on their representation by a particular political party.

My answer would have been much shorter if it had not been interrupted by the interjection of the Deputy Leader of the Opposition. Invariably the honourable member for Pascoe Vale raises a point of order — he just cannot control himself.

The SPEAKER — Order! I judge that the Premier was not debating the question. As to the length of time, the Premier had been speaking for 6 minutes when the interruption occurred. The time set is not really a limit but only a guide. I ask the Premier to conclude his answer.

Mr KENNETT — I thought I was close to the finish of my answer; I just cannot remember where I was, so now I will have to start again!

Let there be no doubt that this government will continue to govern Victoria well and continue to look to the north and other parts of the world to attract new investment to Victoria and ultimately the beneficiaries will be the community of Victoria.

Australia Air International

Mr BAKER (Sunshine) — I refer the Treasurer to the government's decision to give or lend up to $5 million to a $2 shelf company, Australia Air International, run by a Sydney property developer. On what basis did he approve the deal, which involves unspecified tax concessions, and will he guarantee that other companies wanting to bring overseas visitors to Melbourne from Chinese markets, for example, will receive similar treatment?

Mr STOCKDALE (Treasurer) — I begin by asking if the chairman of the questions committee would substitute the TAB question for my next question!

Honourable members interjecting.

Mr STOCKDALE — If ALP members of this Parliament found time between their factional infighting to actually read the government's publications of policy they would know the Victorian government has a ministerial industry council which, as part of a coordinated overall strategy, actually seeks to recognise that from time to time we may need to combat incentives that are offered by other jurisdictions in order to attract to Victoria important investment with long-term economic benefits to the state.
economic benefit on the people of Victoria, not leave them with a $200 million debt legacy. I should have thought that, with the possibility of meeting Victoria’s desperate need for more international direct flights to Melbourne, revitalising Melbourne Airport and bringing a potential head office investment to Victoria, the people of Victoria would have been better served by the opposition supporting the initiative instead of trying to deride it.

Mr Baker interjected.

The SPEAKER — Order! The honourable member for Sunshine is being very irritating today.

Totalizator Agency Board

Mr DOYLE (Malvern) — Will the Treasurer advise the house of the impact on the budget of the government’s decision to privatise the Totalizator Agency Board?

Mr STOCKDALE (Treasurer) — I thank the honourable member for his question and interest in the improvement of Victoria’s government business enterprises and compliment him on his fancy footwork in substituting that question for the previous one.

The SPEAKER — Order! Prompting is against standing orders.

Mr STOCKDALE — The recent pronouncements on the part of the state opposition can only leave the people of Victoria absolutely flabbergasted at the lack of knowledge of the basics of the structure of the Victorian budget and the nature of the operations of the Totalizator Agency Board (TAB). One would have thought that although the opposition spokesman on gaming does not warrant a frontbench position he has the experience to at least understand the health budget and have some basic knowledge of the nature of the relationship between the TAB and the budget sector.

The honourable member for Coburg has been in error in suggesting that the present Victorian government is somehow putting health funding at risk as a result of the privatisation of the TAB. It is true that the government is reducing the tax rate on TAB turnover in equivalent terms from 6.6 per cent to 4.5 per cent. That is an initiative which the previous government would desperately have wanted to implement if Victoria had the misfortune still to have a Labor government, because as gambling becomes more competitive it is important that we reduce, if not eliminate, the inequity under which various products are required to compete with others. We cannot have the open and intensely competitive gambling industries which the previous government had embarked upon and which this government has carried forward when we have widely disparate tax rates so that some products are at a massive disadvantage compared with others. Part of what is a complex interaction involves recognising that any sensible reform of the TAB whether in government or private ownership would necessarily involve changing those tax rates. Because the funds are hypothecated to the Hospitals and Charities Fund that appears to have some impact on the fund, but that is a world apart from any impact on hospital funding.

The honourable member has not kept up with the very important reforms introduced by the Minister for Health — reforms which are not only of benefit in Victoria but which have been extolled by no less an authority than the federal Labor Minister for Health as a model for the rest of Australia to pursue.

Victorian public hospitals are now being funded under case-mix funding formulae which involve basic funding arrangements on diagnostic groups backed up by a bonus pool in order to maximise throughput out of the total budget. That global budget is allocated independently of the precise amount coming out of the Hospitals and Charities Fund, and that fund is not and for a long time has not been the sole source of funding for hospital budgets, so that is a scare tactic which bears no relationship to the truth. But the opposition has gone further than that because obviously its leader did not draw on even the limited recollection of the honourable member for Coburg.

The Leader of the Opposition went on 3AW last week and said the government would be losing dividends from privatisation of the TAB. There are some contexts in which that would be a relevant argument. Unfortunately for the Leader of the Opposition this is not one of them. Apart from a special dividend that the former Labor government extracted in 1989-90 we have not had any dividend flows from the TAB, nor would a Labor government have had any if it were in office given its experience shortly before the end of its term. In addition the breathless wonder of the Leader of the Opposition’s radio broadcast included the statement that the TAB had been a very effectively run organisation. That explains why it had to write off more than $90 million last year as a result of poor investment decisions made under the previous Labor
government! That explains why the TAB, with 50 per cent of gaming machines, has about one-third of the turnover of gaming machines. In its big growth areas it is languishing because of decisions made by Mr Crabb under the previous government for which the Leader of the Opposition has now accepted responsibility.

This government has turned around that performance. We have taken the Labor Party losses on the chin. We are sorting out the TAB’s balance sheet. We are giving the TAB the freedom to restructure and become an effective and competitive organisation, so even at this time we are building an entity that will be very attractive to investors here and overseas. It stands in stark contrast to the performance of the Labor government, and it still has not penetrated the muddle-headed thinking of the Leader of the Opposition that before he goes on radio he ought at least to get a grasp of a few basic facts.

District liaison principals

Mr SANDON (Carrum) — Will the Minister for Education confirm that Mr Geoff Haw, who I understand is a member of the same Liberal Party branch as one of the members for Waverley Province in the other house, Mr Brideson, was appointed a district liaison principal for the Croydon-Ringwood district despite being ranked eighth by the local panel and thus not recommended for appointment?

Government Members — On merit!

Mr HAYWARD (Minister for Education) — District liaison principals were appointed by the Director of School Education entirely on merit. I am informed that among their ranks was a gentleman who was an endorsed candidate for the Labor Party at a previous election.

Selection of school principals

Mr TRAYNOR (Ballarat East) — Will the Minister for Education advise the house of the latest round of principal selections?

Mr HAYWARD (Minister for Education) — I am pleased to inform the house that 310 new principals have been appointed to Victorian schools on merit. I understand that there has been a whole range of people from different backgrounds involved and that some of them are well known to the Labor Party. The selection process follows major reforms in both the classification arrangements and systems, and the selection process for principals. The process for selecting these 310 principals has been described by the Victorian Principals Association as flawless. Of particular interest to the honourable member for Williamstown should be the fact that of 222 primary school principals, 76 were women and 146 were men. Of 88 successful secondary principals, 16 were women and 72 were men. That means approximately 30 per cent of the appointments — 92 of 310 — went to women.

Mr THOMSON (Pascoe Vale) — On a point of order, Mr Speaker, the minister is reading from a document and I ask that he make it available to the house.

The SPEAKER — Order! Is the minister reading from a file?

Mr HAYWARD (Minister for Education) — I am referring to notes. They contain factual information, and I will be more than delighted to make them available to the house when I am finished.

The honourable member for Williamstown went to great lengths to encourage women to become principals, and I am sure she would be pleased that the government has been successful in appointing women to 30 per cent of new principal jobs. I thank the honourable member for Mooroolbark for the fine work she and her committee have been doing in encouraging women to apply for principal positions and providing them with significant advice through seminars and other forums. The figure of 30 per cent is a great achievement.

In the second term the vice-principal selection process will begin. The women in leadership program, which was a result of the recommendations of the committee chaired by the honourable member for Mooroolbark and which was inaugurated in the Directorate of School Education, will hold seminars to help women prepare for appointment. I am sure a significant number of women will be appointed.
Although the Labor Party tried to do something about the advancement of women in education, it did not achieve much in that regard. In fact, women slipped further back in the appointment of principals. The appointment of more women principals will benefit both schools and students.

**Women in science and technology**

Mr SANDON (Carrum) — I refer the Minister for Education to the 15-member committee he established to oversee the development of two science and technology centres. Will he explain why the membership of the committee includes three coalition members of Parliament and not one woman?

Mr HAYWARD (Minister for Education) — It is an expert committee —

Honourable members interjecting.

The SPEAKER — Order! If the house does not come to order, I will call the next question.

Mr HAYWARD — The members have been appointed because of their expertise and backgrounds. Sadly, under the former Labor government there was no proper encouragement for women to become involved in science and technology. The government has moved ahead with the establishment of Melbourne Girls College which will focus on science and technology and mathematics subjects. That will advantage female students and in turn will encourage women to move ahead in science and technology areas. I am looking forward to women playing an even more significant part in science and technology in the future.

**Commercial development at railway stations**

Mr McLELLAN (Frankston East) — Will the Minister for Public Transport inform the house of the government’s proposal for commercial development at railway stations?

Mr BROWN (Minister for Public Transport) — I thank the honourable member for his question. Since he was elected the honourable member for Frankston East has shown a keen interest in commercial development at the Frankston railway station precinct, something the former Labor government talked about for years but never achieved. Last week I announced stage 2 of the transport reform program for Victoria which will deliver far better services to the public after the appalling mess the former Labor government left behind. Despite unlimited overseas borrowings on the transport portfolio and with money to burn, the former government allowed Melbourne’s 200 suburban railway stations to fall into a disgraceful state of neglect and disrepair.

In 1989 former transport minister Jim Kennan, among his many bright ideas, acknowledged that something needed to be done urgently and he set up a commercial development department in the Public Transport Corporation. The Jim Kennan concept was well based and was to attract commercial development to railway station precincts, the idea being that finance would be provided by private enterprise and the entire undertaking would be constructed by private enterprise. The PTC was to get rental on the basis of market valuation, and with the hustle and bustle of people moving around a commercially developed railway station during both the day and night, a safer precinct would be available for patrons to use. Like many of his ideas, it was good, but he never achieved it, and like many of his other spectacular failures, it was passed on to the then Treasurer.

Jim Kennan released media statements saying that stations were to be put to tender for registrations of interest for commercial development by private enterprise. Press release after press release was issued over a protracted time, including one dated 8 September 1989 outlining a proposal for the Elsternwick station. After having achieved nothing in that regard, the then Treasurer took over the matter. One may ask which former Labor Treasurer was it. Was it Rob ‘Your money’s safe in Pyramid’ Jolly? No! Was it Tony ‘Blowout’ Sheehan? No!

Mr BROWN — I see the honourable member for Coburg snapping to attention, because he knows the matter was passed to his good self. I researched the PTC file and found that he chaired an infrastructure development reference group which sought from private enterprise expressions of interest to commercially develop 20 Melbourne railway stations. Just like Jim Kennan, what did he achieve? Did he get 20? No. Did he get 10?

Government Members — No!

Mr BROWN — Did he get five?
QUESTIONS WITHOUT NOTICE

ASSEMBLY

Tuesday, 22 March 1994

Government Members — No!

Mr BROWN — Did he get four?

Government Members — No!

Mr BROWN — Did he get two?

Government Members — No!

Mr BROWN — Did he get one?

Mr SERCOMBE (Niddrie) — On a point of order, Mr Speaker, the house is witnessing an inane spectacle — —

Honourable members interjecting.

The SPEAKER — Order! I am sure our visitors from New Guinea are getting some experience today! The house will come to order. There is no point of order.

Mr SERCOMBE — He is debating the question.

The SPEAKER — Order! The minister is not debating the question; he is going through a series of events.

Mr BROWN (Minister for Public Transport) — It is interesting that the honourable member for Niddrie raised his point of order at one. Any reasonable person would conclude that if two of the supposedly best ministers in the former Labor government, including the then Treasurer, attempted 20 projects, they would get at least one up, but they did not. They did not get one commercial development in any station in Melbourne. They had a zero response!

I am pleased to inform the house that yesterday I announced that under this can-do government the first three rail sites to be developed by the private sector — Chapel Street, South Yarra; Frankston, which is in the electorate of the honourable member for Frankston East; and Traralgon — will result in an investment of more than $15 million in cinemas, shops, car parking, and commercial and retail activities. Better still, more is to come with the announcement in the next few weeks of the development of a further four railway stations.

Unlike the former Labor government, this government asked for expressions of interest in the development of seven railway stations. It received numerous expressions of interest, which will ultimately result in all seven proposals going ahead.

The SPEAKER — Order! I ask the minister to conclude his answer.

Mr BROWN — I shall conclude my answer by saying that these developments are an unquestionable vote of confidence by the private sector in both the government and its reforms in public transport. That contrasts markedly with the attempts of the former Labor government to achieve the same outcome while getting nothing done. It is one more example of this can-do government achieving a great deal in the community’s interest with the involvement of private enterprise.

The concept put forward by the former Labor government was sound, yet try though it did with the aid of numerous luminaries and the very best ministers it could muster, nothing was achieved. Within months of undertaking the same project a government that has the confidence of the private sector has achieved a win-win situation that is good for the government, for the taxpayer and for all concerned.

District liaison principals

Mr SANDON (Carrum) — I direct to the Minister for Education allegations raised in the house last week that a member for Gippsland Province in the other place, Mr Hall, made an offer to a principal concerning a district liaison principal position, as well as to the minister’s response when he said, “I don’t know what anybody has said to anybody”. Is that still the case or has the minister investigated the allegations?

Mr HAYWARD (Minister for Education) — It is about time members of this place made these unfounded allegations outside the house. One allegation after another has been proved to be totally without foundation. The tragedy is that this disgraceful person opposite is denigrating very fine people. We have now a fine group of district liaison principals, yet this man is alleging that they have been appointed not because they are fine people or because of the merit of their applications but because of some other reason. The allegations are an absolute disgrace!
PETITIONS

Tuesday, 22 March 1994

The Clerk — I have received the following petitions for presentation to Parliament:

Preschool funding

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled:

The humble petition of the undersigned citizens of the state of Victoria showeth that the savage funding cuts to preschools will lead to enormous increases in fees and fundraising, which parents cannot afford. This will create an elitist system with many children unable to attend preschool and suffering educational disadvantage.

Your petitioners therefore pray that the government restore adequate funding to preschools, and restore the central payment scheme for salaries.

And your petitioners, as in duty bound, will ever pray.

By Ms Garbutt (14 signatures)

Maternal and child health services

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled:

The humble petition of the undersigned citizens of the state of Victoria showeth that:

The maternal and child health service is an extremely valuable preventative health and family support service, accessible and affordable to all Victorian families.

The government proposal to limit funding to 10 standard visits, by appointment, is a backward step which threatens to undermine the basis of this service.

Decisions about when to visit the maternal and child health care sister should be made by the mother, based on her needs or the needs of her baby, not by a government determined formula.

Your petitioners therefore pray that the house take all necessary steps to ensure the minister withdraws these proposals.

And your petitioners, as in duty bound, will ever pray.

By Ms Garbutt (38 signatures)

Laid on table.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest, No. 2

Mr PERTON (Doncaster) presented Alert Digest No. 2 on Agent-General's Bill, Administration and Probate (Amendment) Bill, Petroleum (Amendment) Bill, Small Business Development Corporation (Amendment) Bill, Albury-Wodonga Agreement (Amendment) Bill, State Insurance Office (Amendment) Bill, Mineral Resources Development (Further Amendment) Bill, Borrowing and Investment Powers (Further Amendment) Bill and Land (Further Miscellaneous Matters) Bill, together with appendix and extracts from proceedings.

Laid on table.

Ordered to be printed.

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Mr WEIDEMAN (Frankston) presented report of Public Accounts and Estimates Committee upon erratum for committee's third report to Parliament, together with appendix.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Planning and Environment Act 1987 - Notices of approval of amendments to the following Planning Schemes:

- Bacchus Marsh Planning Scheme - No. L36
- Bulla Planning Scheme - Nos. L74, L83
- Caulfield Planning Scheme - No. L24
- Chelsea Planning Scheme - No. L8
- Doncaster and Templestowe Planning Scheme - No. L59
- Fitzroy Planning Scheme - No. L31
- Footscray Planning Scheme - No. L44
APPROPRIATION MESSAGES

ASSEMBLY Tuesday, 22 March 1994

Greater Geelong Planning Scheme - Nos. R36, R54, R57, R58, R62, RL63
Huntly Planning Scheme - No. L33
Lillydale Planning Scheme - No. L125
Preston Planning Scheme - No. L47
Warragul Planning Scheme - Nos. L26, L27
Warmambool City Planning Scheme - No. L32
Wonthaggi Planning Scheme - No. L17

Statutory Rules under the following Acts:
Chattel Securities Act 1987 - S.R. No. 28
Conservation, Forests and Lands Act 1987 - S.R. No. 27
Financial Institutions Duty Act 1982 - S.R. No. 26
Road Safety Act 1986 - S.R. No. 29
Wildlife Act 1975 - S.R. Nos. 25, 27

The following proclamation fixing an operative date was laid upon the Table by the Clerk pursuant to an Order of the House dated 27 October 1992:

Occupational Health and Safety (Miscellaneous Amendments) Act 1993 - Sections 5 and 6 on 28 February 1994 (Gazette No. 56, 4 March 1994).

APPROPRIATION MESSAGES

Messages read recommending appropriations for:
Borrowing and Investment Powers (Further Amendment) Bill
Financial Management (Consequential Amendments) Bill
Land (Further Miscellaneous Matters) Bill
Petroleum (Amendment) Bill
State Insurance Office (Amendment) Bill

FINANCIAL MANAGEMENT BILL and FINANCIAL MANAGEMENT (CONSEQUENTIAL AMENDMENTS) BILL

Mr GUDGE (Minister for Industry and Employment) — By leave, I move:

That this house authorises and requires Mr Speaker to permit the second reading and subsequent stages of the Financial Management Bill and the Financial Management (Consequential Amendments) Bill to be moved and debated concurrently.

Motion agreed to.

BUSINESS OF THE HOUSE

Program

Mr GUDGE (Minister for Industry and Employment) — I move:

That, pursuant to sessional order no. 6(3) the following orders of the day, government business, relating to the following bills be considered and completed by 4.30 p.m. on Thursday, 10 March 1994:

Audit Bill
Albury-Wodonga Agreement (Amendment) Bill
Administration and Probate (Amendment) Bill
Small Business Development Corporation (Amendment) Bill
Mineral Resources Development (Further Amendment) Bill
Petroleum (Amendment) Bill
Borrowing and Investment Powers (Further Amendment) Bill.

Ms GARBUIT (Bundoora) — I oppose the motion because I seek time to have debated a matter of great importance to the community. I refer to general business, order of the day no. 15, which concerns petitions sent to the honourable member for Bendigo West about cuts and changes to preschools.

We are not contemplating a heavy legislative program — only seven bills are to be dealt with this week. The time allotted is until Thursday afternoon. The house was originally planning to sit on Friday and I understand that that is not going to occur now; so ample time is available for this matter to be debated. We could devote Friday to debate this matter if the government so wished. It is therefore a matter of priorities and what the government sees as being important to the community.

There is no doubt that for the community the issue of preschools — the changes and the funding cuts the government is now working through — is of great importance. I point out that a total of five orders of the day listed on the notice paper concern preschools and petitions presented by various members of this house. They express the concern of
the community and involve the honourable members for Knox, Mooroolbark, Tullamarine, Warrandyte, Geelong, Geelong North and me. We are all seeking to express concern on behalf of the community about preschools.

The community has identified those orders of the day as being important. We have the time on Friday to debate those and perhaps other issues. We were all prepared for that. Honourable members came today expecting to be here on Friday, and I seek an opportunity to debate these issues.

The issue of funding cuts and changes to preschools is very clear. The changes were introduced last year and, as I visit preschools now, it is becoming obvious that any number of problems are facing those preschools now. Fees have increased savagely. Every preschool I have visited has said that fees have increased.

Mr RICHARDSON (Forest Hill) - On a point of order, Mr Speaker, the honourable member for Bundoora is now debating the issue, which she referred to as item no. 15 on page 12 of the notice paper. I put it to you that she is out of order. She should be debating the matter of time. She should be debating the issue of the bills which — —

Mr Haermeyer interjected.

Mr RICHARDSON — Just calm down Adolf; you'll be all right.

Mr HAERMeyer (Yan Yean) — On a point of order, I take offence to that racist remark!

The SPEAKER — Order! The honourable member for Yan Yean wishes to raise a point of order with the Chair?

Mr Haermeyer — Mr Speaker, the honourable member for Forest Hill has made a remark that I regard as being totally racist. I take offence and ask that you demand its withdrawal.

The SPEAKER — Order! The honourable member for Forest Hill will please withdraw.

Mr RICHARDSON (Forest Hill) — Of course.

Opposition members interjecting.

The SPEAKER — Order! I take it that the honourable member for Forest Hill has withdrawn.

The matter is settled. Has the Leader of the Opposition a further point of order?

Mr BRUMBY (Leader of the Opposition) — Mr Speaker, when you have asked me to withdraw you have demanded without exception the use of the words 'I withdraw'. That is not what the honourable member for Forest Hill said and I ask you, Sir, apply the same standards to members of the government that you apply to members of the opposition.

The SPEAKER — Order! The Chair does not appreciate the imputation in the last sentence. However, I understood the honourable member for Forest Hill to use the words 'I withdraw'.

Mr BRUMBY — He said 'of course'.

The SPEAKER — Order! I ask the honourable member for Forest Hill to withdraw.

Mr RICHARDSON (Forest Hill) — I withdraw. Mr Speaker, I said 'Of course' in response to your request that I withdraw.

An honourable member interjected.

Mr RICHARDSON — Calm down sweetheart. If you wish me to add the words 'I withdraw' I will be happy to do that as well.

The SPEAKER — Order! The honourable member for Forrest Hill will say 'I withdraw'.

Mr RICHARDSON — I withdraw. That is the second time I have said it.

Mr BRUMBY (Leader of the Opposition) — On a further point of order, Mr Speaker, the honourable member for Forest Hill referred to the honourable member for Yan Yean as Adolf. The honourable member for Yan Yean finds that to be extremely offensive and racist. I believe it is a racist comment and the honourable member for Forest Hill ought to apologise to the member for Yan Yean. That is a racist comment.

The SPEAKER — Order! The standing orders provide only that a member who finds another member's words offensive can ask to have them withdrawn. That has been directed to my attention. I admit that in the first instance I did not hear the honourable member for Forest Hill, but I have corrected that by asking him to withdraw the words and he has done so. The point of order is upheld.
Mr RICHARDSON (Forest Hill) — To refresh the memories of honourable members, my point of order is that the honourable member for Bundoora is out of order; she is debating the issue on page 12 of the notice paper. The motion before the Chair is that the daily program that is in the hands of all honourable members should be the program for the week. If the honourable member disagrees with that she is perfectly entitled to oppose the motion.

I put it to you that, despite the fact that she thinks it is important, she is not able to then debate the issue when she should be debating whether the limited number of bills specified in the motion should be the business for the week. I put it to you, Mr Speaker, that the honourable member for Bundoora should be debating the motion or she should be ruled out of order.

Ms GARBUIT (Bundoora) — On the point of order, Mr Speaker, the debate is about the program set by the Government Business Programming Committee. I was opposing the program because I do not believe it reflects what the house should be doing, and I was giving reasons for my position and setting out priorities, which would include preschools, which clearly have been left out by the government.

This should be a place where issues are debated and where one should substantiate one’s position. I was giving reasons why I believe time should be given to debate these issues during the week. The program set out for the week is so light that one sitting day has been cancelled. My priorities would include preschools because of the importance of that issue, which is already listed on the notice paper five times under orders of the day. That should be taken into account.

There are important reasons why that issue should be debated, including the increases in fees that are causing children to miss out. I was advancing a number of arguments in support of the position that time should be allowed in this place to debate important issues that reflect community concern.

The SPEAKER — Order! The honourable member for Bundoora is entitled to oppose the adoption of a certain program by way of resolution. The honourable member was indicating her belief that the program should have included a particular item or topic — item no. 15 at page 12 of the notice paper. I believe she is entitled to put her view and to argue in the way she did, giving the reasons for her preference to be included rather than the items proposed by the motion. There is no point of order.

Mr THOMSON (Pascoe Vale) — I support the honourable member for Bundoora. The opposition does not oppose the bills that have been set out by the Government Business Programming Committee. We believe there will be adequate time to debate those bills. This week the house was scheduled to sit on Friday, which would have enabled it to consider the motion referred to by the honourable member for Bundoora, order of the day no. 15 at page 12 of the notice paper, which refers to proposed funding cuts to preschools, preschool funding and the central payments scheme. It refers to a petition presented by the honourable member for Bendigo West. The opposition believes it is an important petition that raises matters of public importance.

From time to time Parliament should be the place where petitions are discussed, and matters introduced by the honourable member for Bendigo West should be the subject of debate in this place. There are other items on the notice paper that could be debated if the house were to sit the extra day on Friday, as was originally intended when the schedule of parliamentary sitting dates was announced.

It is not satisfactory for the government to give an indication that Parliament will sit for a certain period and then say it will not sit on Friday because it does not have enough business, when the opposition has many items that could be debated. For example, the opposition is concerned about the proposed funding cuts to preschools, the operation of the central payments scheme and the impact on local communities. There are other items on the notice paper that could be debated if the house were to sit on Thursday night and Friday.

I have given notice of my intention to move two motions: firstly, notice of motion no. 43 regarding funding cuts to the Dr Stanley Cochrane Preschool in Mitcham, which has placed a heavy financial burden on many parents whose preschool fees have risen from $180 per year to $480 per year, and secondly, item no. 53 regarding the increases in class sizes at Antonio Park Primary School which have led to a reduced quality of education at that school. Other honourable members and I have items listed in our names on the notice paper that the house could discuss on Thursday night and Friday.

The honourable member for Bundoora referred to a petition presented by the honourable member for
Bendigo West. Sometimes the house does not take petitions as seriously as it should. Petitions are read out, circulated or announced, but it is as if the petitions never existed because the house does not discuss the issues they raise. Many petitioners who wish to raise matters are disappointed when they learn of the scant regard paid to petitions by Parliament. Items such as the petition presented by the honourable member for Bendigo West should be dealt with by Parliament.

The opposition is opposed to the sitting hours being truncated. It will mean that there will be no questions without notice on Friday, which would have given the opposition another opportunity to bring government ministers, such as the Minister for Education, to account. The opposition loses that opportunity as well as the opportunity to debate various items on the notice paper.

If the government does not have enough business to occupy it, Parliament should sit on Friday to provide an opportunity for the opposition to raise matters it believes should be debated. There are a number of matters on the notice paper the opposition could debate if given the opportunity.

Mr Gude (Minister for Industry and Employment) — I shall make a number of observations in support of the government business program: firstly, the program is agreed to between the parties.

The SPEAKER — Order! As a matter of procedure, the Leader of the House did not exercise his option to speak to the motion at the time of moving it, therefore he must now speak by leave. Is leave granted? There being no objection, leave is granted.

Mr Gude (By leave) — There was agreement between the government and the opposition on the programming of bills for this week. The house has been averaging seven to eight bills a week during the course of this session. The suggestion by the honourable member for Pascoe Vale that government business is being truncated could not be further from the truth. Parliament has been passing record numbers of bills and has been sitting longer hours to achieve that process. That will not in any way alter this sessional period.

Opposition members have referred to matters listed under general business on the notice paper — and there are perhaps others that honourable members on both sides of the house would wish to raise and have considered — but they should not have chosen today to run this line. Tomorrow's grievance debate will provide hours of opportunity for honourable members to debate the issue. This motion is another demonstration of the opposition's ineptitude.

The government will continue to pursue the legislation it judges to be in the public interest. The bills on the notice paper are of vital importance to Victoria. Although the Australian Labor Party thinks that anything that happens beyond the tram tracks does not matter, the government believes rural Victoria is important; therefore the Albury-Wodonga Agreement (Amendment) Bill is significant. The Administration and Probate (Amendment) Bill concerns small businesses. In the past 12 months employment opportunities for small businesses employing fewer than 100 people have increased by about 7 per cent. There has been a corresponding decrease for businesses employing more than 100 people. I should have thought the opposition would want a detailed debate about small business development activities.

What could be more important than mineral and petroleum bills? Those major pieces of legislation reflect business development and also Victoria's development, and relate specifically to input costs into business, which is a cost on employment. I should have thought those important issues concerning the economy would be of interest to the opposition, but apparently they are not.

I believe the honourable member for Sunshine is interested in the Audit Bill, but I understand why the opposition does not want to debate it: his colleagues do not want the embarrassment that Labor's performance in government will cause them. The same might be said of the Borrowing and Investment Powers (Further Amendment) Bill.

For those reasons I put it to the house that the business program which was agreed to by the opposition deserves support. It is a proper and sensible way to proceed for the balance of the week.

Mr Roper (Coburg) — The opposition is not suggesting that the bills mentioned by the Deputy Premier should not be debated. They will be debated and dealt with appropriately by the opposition. The honourable member for Bundoora, who presented a petition relating to funding for preschools, merely pointed out that there are many other, more appropriate matters on the notice paper for which the government could find time.
The honourable member for Bendigo West also presented a petition relating to preschools, and there are three other motions on preschools that this house has not had a chance to debate which relate not to petitions presented by members of the opposition but to petitions presented by members of the government. In each case it has been the opposition that has had to ask that the house take note of the petitions and to seek opportunities for them to be debated.

The honourable members for Knox and Mooroolbark have presented petitions asking for the restoration of full funding for preschools and the central payment scheme for salaries. The scheme, which was one of the important reforms of the 1980s, significantly improved the administration of preschools. One can understand why the petitioners who presented the petitions to the honourable members for Knox and Mooroolbark have said, 'We want this restored. We want Parliament to consider the matter'.

The honourable members for Knox and Mooroolbark were not the only ones to present petitions about preschool funding. The honourable member for Rodney presented a petition asking that the house review funding cuts to preschools. Many preschools in areas such as Rodney are at real risk because of the government's funding cuts. The honourable members for Tullamarine and Warrandyte presented detailed petitions — similar to those presented by the honourable members for Knox and Mooroolbark — asking that full funding for preschools and the central payment scheme be restored. The honourable member for Tullamarine presented a petition relating to the current level of funding, and the honourable member for Warrandyte presented one asking that the 1994 funding criteria be reviewed.

What are the people of the electorates of Knox, Mooroolbark, Rodney, Tullamarine and Warrandyte to make of their local members if they will not take the opportunity that is available this week to debate the petitions? This is the appropriate week for such a debate as it is early in the session. Petitioning Parliament remains an important opportunity for the voters to express their views. With the cooperation of the honourable members who presented them on behalf of their constituents.

**House divided on motion:**

- Ayes, 57
  - Ashley, Mr (Teller)
  - Bildstien, Mr
  - Brown, Mr
  - Clark, Mr
  - Coleman, Mr
  - Cooper, Mr
  - Davis, Mr
  - Dean, Dr
  - Doyle, Mr (Teller)
  - Elder, Mr
  - Elliott, Mrs
  - Finn, Mr
  - Gude, Mr
  - Hayward, Mr
  - Heffernan, Mr
  - Henderson, Mrs
  - Honeywood, Mr
  - Hyams, Mr
  - Jasper, Mr
  - Jenkins, Mr
  - Kennett, Mr
  - Leigh, Mr
  - Lupton, Mr
  - McArthur, Mr
  - McGill, Mrs
  - McGrath, Mr J.F.
  - McGrath, Mr W.D.
  - McLellan, Mr
  - Maclellan, Mr

- Noes, 27
  - Andrianopoulos, Mr (Teller)
  - Baker, Mr
  - Batchelor, Mr
  - Brumby, Mr
  - Coghill, Dr
  - Cole, Mr
  - Cunningham, Mr
  - Dollis, Mr
  - Garbutt, Ms
  - Haermeyer, Mr
  - Hamilton, Mr
  - Kirner, Ms
  - Leighton, Mr
  - Loney, Mr
  - McNamara, Mr
  - Maughan, Mr
  - Naphine, Dr
  - Paterson, Mr
  - Perrin, Mr
  - Perton, Mr
  - Pescott, Mr
  - Peulich, Mrs
  - Phillips, Mr
  - Plowman, Mr A.F.
  - Plowman, Mr S.J.
  - Reynolds, Mr
  - Richardson, Mr
  - Rowe, Mr
  - Ryan, Mr
  - Smith, Mr E.R.
  - Smith, Mr I.W.
  - Spry, Mr
  - Steggall, Mr
  - Stockdale, Mr
  - Tanner, Mr
  - Thompson, Mr
  - Traynor, Mr
  - Treasure, Mr
  - Turner, Mr
  - Wade, Mrs
  - Weideman, Mr
  - Wells, Mr

**Motion agreed to.**
FOOD (AMENDMENT) BILL

Second reading

Mr GUDE (Minister for Industry and Employment) — I move:

That this bill be now read a second time.

It is no accident of history that the Mosaic law, as expressed in the book of Leviticus, addresses the subject of food. This is evidence that even ancient legislators understood the significance of ensuring, whether for health or religious reasons, or both, that foods eaten by a community are wholesome and not contaminated or adulterated. Such legislation is even more important in modern society where so much of our food is manufactured, processed and prepacked.

The current Victorian law is enshrined primarily in the Food Act 1984. That act, among other things, prohibits the sale or packing of any food which is unfit for human consumption or which is adulterated or does not comply with the prescribed standard for that food.

In the interests of uniformity, the act automatically adopts as the food standards for Victoria those agreed to by a commonwealth-state ministerial council on the recommendation of the National Food Authority and gazetted under the federal National Food Authority Act 1991. However, while food standards are developed as part of a national scheme, the state remains responsible for the administration of the Food Act. Essentially this is undertaken by local governments through their municipal health surveyors.

The purpose of this bill is to resolve some legal and administrative problems which have arisen since the enactment of the Food Act in 1984. Most of the amendments proposed in the bill are straightforward and explained in the clause notes printed with the bill. Nevertheless, two of the proposals are of some consequence and I propose to discuss these in more detail for the assistance of the house. The first relates to section 16, which is the deemed warranty provision of the act. Section 16(1) states:

In a contract of sale of any food for resale there is an implied warranty on the part of the vendor that there has been no contravention of this Act in relation to that food.

The defence applies to the sale of any food for resale where the food is to be delivered or supplied in Victoria.

The attention of the government has been drawn to a potential loophole created by this defence. In this particular case, a prosecution was launched by the City of Swan Hill against a retailer for selling adulterated jam. The retailer invoked the implied warranty defence and cited the importer in Sydney as the person from whom the jam was purchased.

When the importer was subsequently proceeded against it sought initially to rely on the implied warranty defence and cited the manufacturer. The jam was manufactured in Egypt, but the importer was finally forced to accept responsibility for the adulteration because the transaction involving the sale by the manufacturer was concluded in New South Wales, where the food was delivered.

However, advice given to the government is that, if the importer had landed the product directly into Victoria, the implied warranty defence would have applied. The effect, of course, is that no person could ultimately be prosecuted successfully for selling substandard food. Obviously, it is essential in the interests of public health that, if adulterated food is sold in Victoria, some person within the state can be identified as being ultimately responsible for the sale of that food.

With this in mind, the bill seeks to limit the availability of the implied warranty provision to those vendors actually carrying on business in Victoria rather than to food to be delivered or supplied in Victoria.

In other words, the defence will not be available to importers, who effectively will need to take their own precautions in relation to the foods they import. It must be emphasised that the change is not intended to disadvantage importers who genuinely take steps to prevent the importation of adulterated foods. Such importers will still be able to rely on the reasonable precautions defence established by section 17 as well as the protection of the third-party defence provided by section 46 of the act.

The second change to which I would invite the attention of the house is the proposal to repeal the requirement for the registration of food vending machines. Although on the surface this may appear to be a novel change, food vending machines have actually been exempt from registration under section 38 of the act for some years. Food sold through most...
food vending machines is now prepacked and therefore does not present a particular risk to the public health. Accordingly, neither the registration of such machines nor the continuation of the relevant provisions in the act serve a valid purpose.

I commend the bill to the house.

Debate adjourned on motion of Mr THWAITES (Albert Park).

Mr GUDE (Minister for Industry and Employment) — I move:

That the debate be adjourned until Wednesday, 30 March.

If the opposition needs further time, it will be given.

Motion agreed to and debate adjourned until Wednesday, 30 March.

DRUGS, POISONS AND CONTROLLED SUBSTANCES (AMENDMENT) BILL

Second reading

Mr GUDE (Minister for Industry and Employment) — On behalf of the Minister for Health, I move:

That this bill be now read a second time.

On the surface this bill may appear mundane. However, despite the fact that they may, essentially, be machinery in character, the changes to the Drugs, Poisons and Controlled Substances Act 1981 proposed in this legislation are no less important than the earlier amendments brought forward by the government to facilitate national uniformity in drugs and poisons scheduling.

The purpose of this bill is to enhance the efficient and effective operation of the state’s poisons laws. In particular it will repeal the prohibition on the wholesaling of certain poisons to unauthorised persons; extend the period for which drugs of addiction may be prescribed by a medical practitioner without an authority from the Department of Health and Community Services; and make a number of other amendments designed to resolve problems in the administration of the act.

These include improvements in the procedures for dealing with applications for warrants, permits and licences; obviating the need for retailers to keep a sale of poisons book; and enabling agencies involved in needle exchange programs to be approved by the Governor in Council.

In view of the disparate nature of these proposals it may be helpful to honourable members if I comment on each of these matters in turn.

WHOLESALING OF POISONS

When proclaimed, new section 24 of the act as inserted by the Health and Community Services (General Amendment) Act 1993 will prohibit the wholesale sale of any poison or controlled substance except a schedule 5 or schedule 6 poison to an unauthorised person.

The bill will extend the list of exceptions to include schedule 7 poisons (other than regulated poisons which are subject to special controls). The schedule 7 poisons to be included in the list of exceptions consist mainly of agricultural poisons used by farmers and industrial poisons in common use such as chlorine for swimming pools.

Industrial chemicals are now effectively regulated by the Dangerous Goods Act 1985. In any case, all the substances involved can already be purchased over the counter from licensed retailers.

No good purpose is being served by continuing to limit the availability of the schedule 7 poisons concerned from wholesalers and, in the circumstances, it is proposed to remove the current restrictions in the bill.

DRUGS OF ADDICTION

Sections 33, 34 and 35 of the Drugs, Poisons and Controlled Substances Act prohibit a medical practitioner prescribing a drug of addiction for a patient for a period of four weeks or more without a permit from the Secretary to the Department of Health and Community Services.

Four weeks has proved too restrictive in practice, and a great deal of paperwork on the part of both doctors and the department could be avoided with no perceived risk to the public health if this grace period were extended.

With this in mind the bill proposes to bring Victoria into line with other jurisdictions by increasing from four to eight weeks the minimum time doctors can prescribe drugs of addiction without requiring a permit.
In addition the bill will remove the maximum four-week life of permits issued for the treatment of drug-dependent patients so that the life of a permit can be tailored to the expected period of his or her treatment.

Treatment of drug-dependent patients, in practice, almost invariably requires more than four weeks. This amendment again eliminates unnecessary paperwork for both the medical profession and the department.

APPLICATIONS

Among other things, sections 19 to 22 of the act empower the Secretary to the Department of Health and Community Services to issue a variety of licences, warrants and permits to manufacture, sell, supply or obtain various classes of poisons and controlled substances. It is proposed to replace the existing provisions with a number of new sections designed to streamline the process of dealing with such applications, make the system more flexible and responsive, and facilitate the recovery of the costs involved in the administration of the system more equitably across the range of applicants and licence and permit holders.

At the present time a person who manufactures and sells only by retail is not subject to the act. This is an obvious anomaly in the legislation which will be corrected by this bill.

In addition the bill will provide that applications are to be considered by the department rather than by the Poisons Advisory Committee although the advice of that committee will be sought on appropriate occasions. This change will reduce unnecessary delays in the process of dealing with such applications. Licences, permits and warrants which currently expire on 31 December and open-ended permits will now be renewable on the anniversary of their grant, and fees will be payable at the time an application is made rather than at the time the licence, permit or warrant is granted.

It should be noted that the bill makes provision for the charging of fees for educational and health services permits to recover the cost of administering those permits.

SALE OF POISONS BOOK

The bill will obviate the need for retailers to maintain a sale of poisons book provided that an accurate record of the sale of any schedule 1 or schedule 7 poison is kept by the retailer. It will also repeal the prohibition on the sale or supply of poisons to persons unknown to the retailer except in the presence of an adult witness or a member of the police force.

These restrictions are now outmoded, and the proposals I have outlined will reduce the burden imposed by the present act on the bona fide sale of poisons by retailers.

GENERAL PENALTY

The opportunity of the bill is being taken to adjust the general penalty fixed in section 123 of the act. This will resolve an anomaly which results in higher penalties applying to offences under the regulations than to offences under the act.

NEEDLE EXCHANGE PROGRAMS

Section 80 of the act makes it an offence to aid, abet, counsel, procure, solicit or incite the commission of an offence against various provisions of the act relating to the illicit trafficking in and use of drugs. The section was amended by the Drugs, Poisons and Controlled Substances (Amendment) Act 1987 to exclude from its scope pharmacists and specified persons or classes of persons selling or supplying hypodermic needles and syringes. Nearly 130 agencies involved in needle exchange programs have been exempted under this provision to date. However, the need to constantly amend the regulations as additional agencies are added, or details of existing agencies change, is expensive and time consuming and can be equally effected administratively.

With this in mind the amendments to section 80 proposed in this bill will enable agencies to be exempted by order in council rather than by regulation. Exemptions will need to be published in the Government Gazette, and a list of exemptions maintained by the Department of Health and Community Services.

SUMMARY

The improvements proposed in this bill will resolve a number of administrative problems which have arisen with the Drugs, Poisons and Controlled Substances Act without detracting from any of its existing safeguards.

I commend the bill to the house.
Debate adjourned on motion of Mr THWAITES (Albert Park).

Mr GUDE (Minister for Industry and Employment) — On behalf of the Minister for Health, I move:

That the debate be adjourned until Wednesday, 30 March.

Mr THOMSON (Pascoe Vale) — Is the debate being adjourned until 30 March on the understanding that further time will be made available by the government if the opposition needs it?

Mr GUDE (Minister for Industry and Employment) (By leave) — As has been previously agreed.

Motion agreed to and debate adjourned until Wednesday, 30 March.

ALCOHOLICS AND DRUG-DEPENDENT PERSONS (AMENDMENT) BILL

Second reading

Mr GUDE (Minister for Industry and Employment) — On behalf of the Minister for Health, I move:

That this bill be now read a second time.

The purpose of this bill is to make a number of amendments to the Alcoholics and Drug-dependent Persons Act 1968 so as to allow improvements to alcohol and drug service delivery. The bill will also clarify a number of ambiguities that are present in the current act.

The amendments clarify that alcohol and drug services of all kinds may be delivered by non-government organisations while ensuring that a high standard of service delivery is maintained. The non-government sector already delivers a significant proportion of alcohol and drug services, and these amendments will allow their role to be enhanced and strengthened as may be appropriate from time to time. Such an approach has a number of advantages. It enables an improved level of services to be delivered at the local level, where they can be more readily accessed by the community. Service delivery can also be more effectively matched to local and regional needs.

The government remains committed to the provision of high-quality services. For this reason the bill also provides for monitoring, accountability and the termination of contracts with non-government providers if standards are not met. The bill also allows for the appointment by the Governor in Council of an administrator in the event that a service is inefficient, incompetently managed or ineffective, if the contract has not been complied with or if the service provider requests it. This ensures continuity of service for clients and will occur only where it is in the clients’ best interests.

The bill ensures that adequate notice must be given to the contracted service provider about any intended recommendation that an administrator be appointed. In addition, the grounds for a recommendation must be provided and the contracted service provider can object and ask to be heard. Should an administrator be appointed, he or she would take the place of the committee of management in relation to the services provided through that specific contract.

As well as enabling improvements to service delivery, the bill will clarify some ambiguities in the current act. It has long been acknowledged that there are difficulties in the operation and interpretation of the current legislation. This has led to a number of reviews being conducted since it was proclaimed in 1975. The current amendments make the act workable but an extensive review will be required in the near future.

The bill provides a clear power for the allocation of funds, which has not previously existed. It also makes clear that facilities designated as assessment, treatment and detention centres by the Governor in Council may be operated by the non-government sector and not exclusively by government. At present the act allows for private treatment centres to be licensed. The licensing provisions are not relevant to current practice, and no licences have ever been issued. It is therefore proposed to repeal this provision.

The current system of listing services under the act will be retained, but the proposed amendments will require that only those services not provided directly by the chief general manager or pursuant to a contract with the chief general manager need be listed. The amended listing provisions will allow both service providers and the government to avoid unnecessary administration.
SUMMARY

The proposed amendments will clarify some currently ambiguous provisions of the act and ensure that alcohol and drug services may be delivered by the non-government sector as appropriate. The ability to have alcohol and drug services delivered by the non-government sector is consistent with this government's aim of defining the role of government as steering and not rowing while still providing the safeguards necessary to ensure service standards are maintained.

I commend the bill to the house.

Debate adjourned on motion of Mr THWAITES (Albert Park).

Debate adjourned until Wednesday, 30 March.

AUDIT BILL

Second reading

Debate resumed from 19 November 1993; motion of Mr I. W. SMITH (Minister for Finance).

Mr BAKER (Sunshine) — Members of the opposition oppose the bill, not because it contains few provisions with which we agree but because we totally disagree with certain provisions, as do all the authorities, in accordance with emerging custom and practice, particularly in Australian Parliaments.

The particular elements of the bill with which the opposition concurs relate to the collection and payment of public moneys and the rules concerning the protection of public property, as well as the decision to place them in specific financial management accounts. The bill also repeals archaic provisions that have remained in force since the introduction of the 1958 Audit Act. The opposition does not quibble about that change; it is seen as required progress.

However, the opposition's major concern is the provisions relating to the future appointment and funding of the Auditor-General. The accountability provisions sorely trouble us! Either advertently or inadvertently — that will become a matter for judgment — the bill seeks to nobble future Auditors-General. It is made clear that the bill is not aimed at the present Auditor-General, but an attempt is being made to ensure that all Auditors-General appointed after the present incumbent will have the spectre of the authority of the executive riding at their shoulders as they approach the end of their terms.

The bill provides for seven-year appointments for future Auditors-General, who will be appointed by the Governor in Council, not by Parliament.

In conjuring an image of a future Auditor-General, inevitably and inexorably the following circumstances will occur: at some future time an Auditor-General approaching the end of his or her seven-year appointment in an election year will be in the process of producing something that may be a bit hot for members of the government of the day, regardless of which side of politics they are on, and that Auditor-General will feel the spectre riding at his or her shoulder. That is the main reason the opposition opposes the proposed legislation.

Furthermore, there is no doubt in my mind that it is critical for the Auditor-General to be funded from parliamentary appropriations. During the past 10 to 15 years some authorities, which I shall cite later, across all Parliaments and all sides of politics around the country have made it clear that this principle is important. However, it is a principle that the bill does not uphold and honour.

Honourable members must consider performance audits and who pays for them and, beyond that, the ambit of the Auditor-General to look into any concern involving risk exposure and the use of taxpayers' money, be it a single dollar or a large quantum of dollars. Once again, the authorities, the accounting profession and anybody interested in maintaining the efficacy and probity handed down through the Westminster system will agree that the Auditor-General's ambit must be all encompassing and extremely expansive. That is particularly so in modern times when more and more governments are becoming involved in complicated joint ventures and contracting out arrangements where, in some extreme cases, the taxpayer may have only a minor interest.

A difficulty arises with this proposed legislation as to how the taxpayer can be assured that his or her interest will be protected by a truly independent Auditor-General's Office. This bill does not provide that assurance. It sets out in a grave and alarming manner to nobble the way future Auditors-General will be appointed and will behave.

If one were looking for a pattern, this fits in with the alarming developments in the behaviour of this government, with its large majority, in the 18
months it has been in office. It has moved across a range of fronts to stifle any form of dissent or criticism that has been offered under the guarantee of the checks and balances that have always been enjoyed and expected within the Westminster parliamentary system. They include matters that have been in the public spotlight in recent times, such as the removal of the Commissioner for Equal Opportunity and the recent furore about government attempts to nobble the Director of Public Prosecutions, and actions that are less widely known and which have not been picked up by the broader community, such as veiled attacks on the judiciary. I do not mean the public criticism by senior government members of certain judiciary members in different jurisdictions; I refer to the common, almost guaranteed, practice in just about any bill that now comes before this Parliament of removing the right of appeal to the Supreme Court of ordinary citizens against the weight of bureaucratic and executive decisions.

I understand that at last count at least 20 bills that have come before this house have waived the final right of appeal to the Supreme Court of ordinary citizens. The significance of that has not been picked up by the general community. This bill fits in with that pattern through the way it provides for the appointment of future Auditors-General. Dare I say that it is another act of totalitarianism by this government on a scale that Joseph Stalin would have embraced and taken to his bosom, and I do not say that lightly or with any sense of mischief.

This bill turns its back on a range of developing customs, practices and authorities that do not represent my side of politics — in fact, most of them represent the views of balanced parliamentary committees of the past 10 to 15 years and organisations such as the Australian Society of Certified Practising Accountants. The latter organisation is hardly an organisation that could be regarded as being in the pocket of the Australian Labor Party or to the broad left of Australian politics.

The bill goes against in part statements of the Treasurer and the Premier when in opposition. Even though Hegel said the owl of Minerva flies only at dusk, honourable members know that only opposition parties show an interest in the probity of parliamentary systems. That is one of the sad aspects of the Westminster system. In my cynical experience it is usually only opposition parties that show an interest in preserving any form of guaranteed, built-in, input-fixed criticism, review and inspection.

One should never quote statements made some time before by journalists or politicians, but not so long ago on 9 April in 1992, the Treasurer said:

"Clearly there is a danger of lack of accountability if any government is in a position to establish subsidiaries which it wants and which then cannot be subject to audit by the Auditor-General ... corporations and other bodies ... given commercial control over their own affairs ... might be authorised to do so as well and yet might not be subject to audit and the accountability process that follows audit by the Auditor-General ... the Auditor-General will be given the power —

this is a promise the now Treasurer was making —

to conduct economy, efficiency and effectiveness audits.

A former Leader of the Opposition, the now Minister for Public Transport, on 28 March 1990 stated:

"The Auditor-General, through his office, is the person best equipped to analyse how legally, efficiently, economically and effectively public moneys are being spent.

The honourable member for Bulleen, a self-professed accountant, on 9 April 1992 stated:

...the opposition will move an amendment to ensure that grants made by the government to non-government organisations are audited by the Auditor-General. Whenever taxpayers have to pay, the Auditor-General should be given the power to ensure that their money is spent properly.

Finally, I quote the now Premier, who on 2 May 1989 stated:

"Will he —

he said to the then Premier —"
look to other organisations to do the efficiency and effectiveness reporting to Parliament? ... If he intends to do so, that will take away a major role of the Auditor-General's office and will further neuter the independent advice that comes before Parliament ... No other source is acceptable. There is no other measure than to have the Auditor-General do this work and be allowed to continue to do it totally independent of Parliament.

The bill has been produced by those persons. I assume they will vote in favour of the bill, which goes against those high-minded statements, some of which were made only two years ago, and which relate to the appointment, funding, ambit and mandate of the Auditor-General. It goes against the recommendations proposed in a working paper just released by the Australian Society of Certified Practising Accountants entitled The Role of Independent Auditors-General, which I endorse. They are not a matter of ideology. They are matters that should be discussed in Parliament without relating them to the isms and rhetoric that many honourable members get caught up with in public debate. I shall go through some of the recommendations.

The external audit of all public sector agencies in which the government has control or significant influence over, or interest in, or financial exposure to, should be the ultimate responsibility of the Auditors-General. This includes but is not limited to agencies, state-owned enterprises, companies and joint ventures.

Legislation should not allow a minister of the government, or officer of the entity concerned, the discretion to appoint an auditor to a public sector entity subject to audit ... Legislative discretion should not exist to allow a minister to influence the nature or the timing of audits undertaken.

The type and frequency of audits to be performed should also be consistent across the nation for all auditable entities ...

To enhance the independence of the office of the Auditors-General should become a officer of the Parliament ...

That is critical. A further recommendation states:

The determination of the budget for the Auditors-General should not be made by a department or body which is subject to audit. If necessary a parliamentary committee consisting of persons conversant with budget procedures should advise Parliament in the determination of the Auditor-General's budget.

All rights and responsibilities applicable to the Auditors-General should apply equally to the agents who may be contracted to conduct work on behalf of the office of the Auditors-General.

The most curious point about the legislation is that it is being debated a couple of weeks before the imminent release of a Public Accounts and Estimates Committee report. That committee, which comprises a majority of government members and which is chaired by a distinguished and venerable member of the government, a former minister, the honourable member for Frankston, has produced a report without dissent with recommendations on how the future appointment and funding of the Auditor-General should proceed.

Absolute unanimity was achieved; no dissenting report was made. I cannot believe that the Treasurer did not know that the report was imminent and I find it distinctly odd that he did not wait. If I have been unfair on him I intend to give him the opportunity of taking up the recommendations made by the parliamentary committee chaired by a senior member of the government party and with a majority representation of government members, so that he can amend the legislation in those terms. I urge the other members of the committee who get $56 an hour for attending meetings and who pose as being extremely interested in these issues and who did a significant amount of work on the report to take the opportunity to put their votes where they put their work. The members of the committee also include the honourable member for Glen Waverley who is the only member I see in the house — to give him credit — and the honourable members for Dromana and Benambra, who have not taken the trouble to come in to the chamber even though they made those recommendations.

Mr E. R. Smith interjected.

Mr BAKER — These are yours!

The DEPUTY SPEAKER (Mr J. F. McGrath) — Order! Through the Chair!

Mr BAKER — The honourable member for Glen Waverley will have his chance to put his vote where he said it should be. Given that I am deputy chairperson of that committee and my name is on the report, I must honour my obligations and move amendments, not to take up all the points I am
interested in, but to provide for the elements of the committee’s report that differ from the legislation so that other committee members can show the courage of their convictions.

The exception, as you, Mr Deputy Speaker, with your sagacity, experience and wisdom in this place would know, is those funding requirements that would have needed a message from His Excellency the Governor. I lament that as an opposition member that option is not available to me.

Let us look at where the government’s bill differs from the recommendations of the Public Accounts and Estimates Committee. Under the existing system the current Auditor-General will hold office until he reaches the age of 65 years or retires. I understand that at the moment he is 59 years of age. Future appointments will be for seven years with the option of reappointment. The Public Accounts and Estimates Committee is silent on this issue, which implies no change. I will, therefore, propose no amendment to the seven-year appointment provision.

The opposition is happy for there to be a 7-year, or perhaps 10-year, period of tenure and then reappointment, so long as it is not in the gift of the government. I understand that at the moment he is 59 years of age. Future appointments will be for seven years with the option of reappointment. The Public Accounts and Estimates Committee is silent on this issue, which implies no change. I will, therefore, propose no amendment to the seven-year appointment provision.

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I can understand the view held by some in the accounting profession that people sometimes stay on for far too long and become a bit burnt out and off the pace. Given the way modern financial management theory is changing — it is so fluid and flexible — it may well be that a 7 to 10-year period of tenure is enough and that people more skilled in modern ways should be brought in. However, it is not possible to alter the tenure unless you replace the process with something that is more satisfactory than the Premier going into cabinet and saying, ‘We have a mate. This bloke’s OK’, and sending it off to the Governor in Council.

The Audit Bill proposes appointment by the executive. The Public Accounts and Estimates Committee proposed nomination by the Parliament on the recommendation of the committee. That type of proposal — the nomination of the Auditor-General with some sense of parliamentary control — is a common recommendation of similar committees around Australia. It is the nub of the amendment proposed by Senator Harradine that the federal government was recently forced to cop. I will move an amendment which seeks to bring that about and for which the honourable member for Glen Waverley will be asked to vote.

Mr E. R. Smith interjected.

Mr BAKER — He will be asked to put his vote where his voice was. The second point of major disagreement between the report of the committee and the bill is that the penalty for refusal to provide information to the Auditor-General will be altered to five penalty units, which under the Sentencing Act is $500. The Public Accounts and Estimates Committee, and so far as I know just about every other Parliament in the country, requires any refusal of that kind to be dealt with as a contempt of the Supreme Court — a much more serious matter.

It would be well worth $500 to buy oneself out of a refusal to comply with the investigations of the Auditor-General, especially if it involved audits of joint ventures and large sums of money. Plenty of villains with a lot of cash in their pockets — —

Mr Stockdale interjected.

Mr BAKER — You have done this; you are looking after your mates, as you have done since you have been in there. Your mates are grifters and sharpies — —

The DEPUTY SPEAKER — Order! The Chair has been tolerant with the honourable member, who has been roaming around the chamber. I ask him to direct his remarks through the Chair.

Mr BAKER — When anyone goes against the direction of or fails to comply with the will of the Auditor-General he or she will no longer have to face being in contempt of the Supreme Court — something none of us would want to have to deal with — as recommended by the Public Accounts and Estimates Committee. The opposition will propose an amendment on this issue.

Again the honourable member for Glen Waverley and the honourable member for Benambra, who has finally drifted into the chamber, will be able to vote
in support of the noise they made in meetings of the Public Accounts and Estimates Committee. If they do not do that it will be a matter for judgment by their constituents, not to mention the effect it will have on their future relations with other members of the committee, who treated the matter seriously.

Why should anyone take seriously or give credibility to government members who dominate a committee and who, under the professed notion of being parliamentarians with a capital P, produce without dissent a report that makes certain recommendations and then support a bill that achieves exactly the opposite effect?

The third area of contention is that the Audit Bill provides for Parliament to fund performance audits of departments and statutory authorities. There is confusion here; I am now not sure of the intention of the bill. The Treasurer has foreshadowed an amendment that would remove clause 24. I suspect that means that Mr Baxter has won; that departments, especially the central agencies, will fund their own audits. We all know that Mr Baxter, Secretary of the Department of the Premier and Cabinet, did not want Parliament to fund those audits. The government has snuck in an amendment because Mr Baxter imposed his will upon the Treasurer in the late hours following the second reading of the bill.

The Public Accounts and Estimates Committee is quite unequivocal about the matter: it proposes that Parliament should fund all performance audits. Once again that is the custom and practice being built around the country. There are simple reasons for that. As the Auditor-General said when he appeared before the Public Accounts and Estimates Committee, if the people who are being subjected to an audit are the people putting their names on one's cheques, they will have some authority over one. Worse than that, if the people the Auditor-General is auditing, such as the Premier and the Treasurer, are the ones making the recommendations on his budget, the situation is a bit like the robbers being asked to pay directly for the police force. That analogy holds true. Such a situation is condemned and rubbished by authorities knowledgeable in these matters.

We have not gone forward with the bill; we have actually gone backwards on the critical provisions. Under the guise of cleaning up some archaic provisions that have been around for a long time and need to be cleaned up, the government is tightening the screws on the Auditor-General's future performance, function and funding. It represents an effective attempt to nobble that high and important office.

The next point on which the committee's report and recommendations differ from the provisions of the bill is that the bill says that the audit ambit should include all entities that are 100 per cent owned by the state or trusts in which the state is the main beneficiary. The Public Accounts and Estimates Committee recommends that the audit ambit should include all entities in which the state has a controlling interest. I would go further than that but, in keeping with my position as the deputy chairman of that committee, I have produced a milder amendment that is in keeping with that proposed by the committee because if you put your name on a parliamentary committee report of that kind, as a matter of honour you should stick by it.

I suggest to the honourable members for Benambra and Glen Waverley that they must undergo the true test to see what they are made of. The votes will not make any difference to the government's majority. However, as a matter of honour, if they want to be able to face themselves in the mirror, face their fellow committee members and face the electorate that sent them here believing they would be honourable and keep their word, they must either vote for the bill or at the very least have the decency to remove themselves from the house so they do not suffer the shame of voting against the committee's major and primary recommendations only a matter of weeks after producing the report.

The final area where there is a divergence of opinion is where the bill requires the Auditor-General to consult with the Public Accounts and Estimates Committee on the performance audit plan for departments only. The committee's recommendation says likewise but it adds statutory authorities, state-owned enterprises and so on.

I know many honourable members want to speak on the bill. I am waiting anxiously to hear how my fellow committee members on the government side will respond to the opportunity I propose to give them today to be honest and true to the report they have produced. I give them credit: they did a lot of work; in fact, they did much more work on it than I did. I am satisfied to go along with their recommendations and in the committee stage I will give them the chance to put their vote where the noise has been coming from.
The bill is just another example of a government that has become far too arrogant far too soon. Under various guises it is not gradually chipping away at but chopping down the checks and balances that have been established in the Westminster parliamentary system since the 17th century.

In future we will have an Auditor-General who is neutered and needs to obtain his money from the very people he is subjecting to an audit. He will not have the width of mandate to make sure that he can present himself to the community, and most of all to the Parliament, as someone who believes he is able to check on every taxpayer’s dollar wherever it has been expended and wherever it has travelled along the money trail. That is not good enough.

This is a bad bill. It is dressed up badly to create the impression that it is reform in progress. On the contrary, it takes us back a long way and in the councils where these things are discovered it will make Victoria a laughing stock.

Mr E. R. SMITH (Glen Waverley) — Throughout his contribution to the debate the honourable member for Sunshine implied that there is collusion between the Public Accounts and Estimates Committee and the Treasury and that information gained by the committee is given to the Treasury. I say that because only today I have learnt from the Treasury that the bill was first drafted as a result of legislation prepared but not introduced by the previous government, and over the period until it was brought into the house the bill has been worked on by Treasury in the normal process. Admittedly, at the same time and running in parallel with the Treasury’s work was the Public Accounts and Estimates Committee which produced its report — or rather our report, because I am another proud member of that committee — in November last year.

The honourable member for Sunshine knows there is no collusion between the chairman of the committee, the honourable member for Frankston, or any other member of the committee and the Treasury. There would be no point in it because what the committee wants to do is to present an independent report to Parliament. That is the point of the committee. The line the honourable member for Sunshine has been pushing all day is that there is collusion. His smearing implication is that the Treasurer knew, as did officers of the Treasury and members of the committee. Committee members did not know; it is the responsibility of members of that committee to keep what is in the report quiet until the appropriate time comes.

I shall compare the November report of the Public Accounts and Estimates Committee — the honourable member for Sunshine probably has a copy — with the proposed legislation. Those points are the basis of what the honourable member for Sunshine has been on about this afternoon. He has made his recommendations and poured vitriol on the bill. I am quite sure he has to do something to assist his own image within his party.

An honourable member interjected.

Mr E. R. SMITH — No, he would not want that. He is too honourable a man to want that! He is happy being the shadow Treasurer! No, we must not imply that. We won’t impose any blight on the current Leader of the Opposition because we like him in that position. The Leader of the Opposition is our best ally. We don’t want the honourable member for Sunshine making a move on him!

I will refer the house to five differences between the November report of the Public Accounts and Estimates Committee and the proposed legislation. Firstly, the bill provides for performance audits of departments to be funded by Parliament and for other entities such as statutory authorities to retain responsibility for meeting the costs of performance audits. The committee recommended that all performance audits be funded by Parliament. In other words, it would go beyond departments and include state-owned enterprises and statutory authorities established by the government. It is important that such a recommendation be considered by the government.

Contrary to the claims of the honourable member for Sunshine, the government is examining the recommendations contained in the report. I assure him that members of the Public Accounts and Estimates Committee will not be taking his worthwhile advice and voting against the bill. When the Treasurer closes the second-reading debate I am certain that he will say he is considering all the committee’s recommendations. There is no need for him to change a bill the minute a committee issues a report. The Treasurer will comment on the report at a later stage and if he thinks it is in the interests of the state he will make the necessary changes. He will not be blustered into it by the honourable member for Sunshine. The honourable member continually implied that there is dishonour among members of the government. I assure him that that is not the case.

I turn now to the second point of difference between the bill and the committee’s report. The Audit Bill
provides for the Auditor-General’s audit mandate to include all entities that are 100 per cent owned by the state or trusts in which the state is the principal beneficiary. The committee recommended that the Auditor-General’s audit mandate include all entities, including trusts, joint ventures, partnerships, companies and other entities in which the state has a controlling interest. The government is taking on board some of the committee’s recommendations. The house can be assured that this recommendation has also been examined by the government and if it is thought necessary the legislation will be amended. It is important to recognise that although the government has been in office for less than 18 months it has produced 164 individual pieces of legislation — an enormous amount of legislation. Honourable members remember the first couple of months of the government’s term in office when it commenced its enormous legislative program.

This bill was on the drawing board then. The proof of that is that, except for a few minor changes, it is the same bill that the former government drafted with the intention of introducing into Parliament. So much for the research of the honourable member for Sunshine! So much for the bombast that he tried on us today!

The third difference between the bill and the committee’s report concerns consultation. The bill provides for the Auditor-General to consult with the Public Accounts and Estimates Committee in determining his performance audit plan for departments. In other words, it refers to the plan he wishes to adopt for the year. The committee recommended that the Auditor-General consult with the Public Accounts and Estimates Committee in determining his overall performance audit plan, including the planning of audits of departments, statutory authorities, state-owned enterprises and so on. In other words, the bill covers departments and the report includes statutory authorities. Again that is fully consistent with the recommendations. I remind the honourable member for Sunshine that this is another one of the issues Treasury is looking at and we will hear more from the Treasurer on that later.

I am extremely interested in the next one because it relates to my experience when I was on my Commonwealth Parliamentary Association (CPA) trip to Canada last year. The bill provides for the Auditor-General to be appointed by the Governor in Council. That provision is unchanged from what occurred in the original Audit Act introduced by the Labor government. The committee’s report recommended that the Auditor-General be appointed by the Governor in Council on the nomination of the Parliament and that the Public Accounts and Estimates Committee have responsibility for making a recommendation to Parliament concerning the appointment of the Auditor-General. When I was on my CPA visit to Canada the Province of Ontario at long last saw the crying need for its Parliament to appoint the Auditor-General. That statement is referred to in the committee’s report.

Mr Baker — Go for it.

Mr E. R. SMITH — You don’t listen. The point is that the report was presented to Parliament in November. The Treasurer introduced the bill into the house before the committee report was presented. Again it is one of those extremely important aspects that the Treasurer will be considering. He will respond to debate on that issue because it goes the heart of what this is all about. I agree with the honourable member that it relates to the committee’s recommendations but he has been unable to distinguish between the timing. Of course he has been unable to do that. The honourable member is just making play for his own backbench. He is not interested in the truth or the timing of the provisions. He is interested purely in his own image and what his party thinks of him.

The fifth difference is that the bill alters the penalty if an auditee refuses to provide information to the Auditor-General. The penalty is 5 penalty units or $500 under the Sentencing Act. The committee recommended that the Auditor-General utilise his powers under the Audit Act 1958 to gain access to information where auditees refuse to provide such information. Under the Audit Act a person who is found guilty of refusing to supply information is liable to be dealt with as in a contempt of the Supreme Court. Of course that is a severe penalty and will send shock waves through the public service, statutory authorities and so on. It is meant to do that because the government is not mucking about with this. At present we are keeping the penalties provided in the Sentencing Act in the Audit Act and we will seriously consider those provisions at a later stage.

The honourable member for Sunshine talked about accountability. He referred to the accountability of the Auditor-General and how we were weakening his position by making him serve only a seven-year term. The Auditors-General to whom I have spoken said they were not 100 per cent happy with the
limited tenure but they will go along with the provision because it makes them accountable and gives them at least a term of seven years.

I now pose the other proposition that the honourable member for Sunshine did not — an Auditor-General who does such a good job that the government wants to retain him at the end of his seven years, given that he is still under the age of 65 years. I can think of a number of people like that, such as Dick Humphry and Ches Baragwanath; people who display great ability as public servants and who the government might want to keep on.

Mr Baker — That is a thin argument.

Mr E. R. SMITH — They should be given another opportunity. However, if the Auditor-General has been in conflict with the government and the government cannot work with that person, I am sure they would both agree that the employment of that person should be terminated at the end of the stated period. Such an arrangement would still result in the same type of service as the one given by the present Auditor-General.

I turn now to some of the things the present Auditor-General has achieved during his term. It is at this point that I refer to the accountability and independence of the position, because the Auditor-General should be at arms length from the executive so that he can report to Parliament and hence to the people. I have a list of some of the major revelations brought to the attention of Parliament and the community by the current Auditor-General during both this government’s and the former government’s terms in office. They are the sorts of reports which have helped the former government get its name of the guilty party.

The major revelations the Auditor-General has brought to the attention of Parliament and the community include escalating deficits and state debt — during 10 years of ‘hard Labor’ debt trebled from $11 billion to almost $33 billion — the increasing trend of meeting operating costs from borrowings; the use of artificial arrangements to acquire funds; the incurrence of expenditure of $35 million without parliamentary authority; the disclosure of the real cost to Victorian taxpayers of the failure of the State Bank and Tricontinental, which was in excess of $3.1 billion; the deferral of expenditure and the advancement of revenue to manipulate the government’s financial result; the understatement of borrowings by $1.2 billion by the use of off-balance sheet financial arrangements relating to transport sale and lease-back transactions amounting to $422 million; deferred expenditure arrangements of $283 million; the Portland Smelter Unit Trust delayed compensation of $158 million; the World Congress Centre debt of $149 million; interest swap transactions of $82 million and the accelerated infrastructure program debt of $66 million; the identification of the poor return obtained from the sale of the State Insurance Office; and the mismanagement of the loan portfolio of the Victorian Economic Development Corporation resulting in losses of approximately $100 million.

In February this year the Leader of the Opposition in the other house, Theo Theophanous, released a document entitled Economic and Financial Management of Victoria under Labor in which he states:

The VEDC was developed by Labor as a venture capital arm. Responsibility for its failures clearly rests with Labor.

That is an illustration of the former Labor government’s lack of judgment in selecting the right people to run the board of the VEDC. Experienced people were missing from that board. Instead of the ALP appointing its own mates, as it has done in the past, who are not the right people with the correct skills or expertise — —

Mr BAKER (Sunshine) — On a point of order, Mr Acting Speaker, the honourable member for Glen Waverley is beginning to stray from debating the purpose of the bill, which is about the function of the Auditor-General. I ask you, Sir, to ask the honourable member to relate his remarks more closely to the substance of the bill.

Mr E. R. SMITH (Glen Waverley) — On the point of order, Mr Acting Speaker, I am making a passing reference to the revelations of the Auditor-General. I realise it hurts the opposition to hear it, but I will be finished in a few seconds.

The ACTING SPEAKER (Mr Cooper) — Order! On the basis that the honourable member for Glen Waverley is only making a passing reference, there is no point of order.

Mr E. R. SMITH — The establishment of the VEDC showed such ineptness and lack of professionalism that we could have been tricked into thinking that it was a repetition of something that could have happened 20 years ago. The Labor Party putting its mates on such boards was similar to the old-school-tie mentality. Today everything has
changed. The boards of all big companies comprise people who have experience and who have been tried in the area. It is a shame that so much of the state’s money was wasted by the Labor Party.

The document released by Mr Theophanous at no stage admits that a mistake was made; at no stage does he apologise. Since the coalition has been in government honourable members have not once heard the slightest hint that the Labor Party is sorry for what it did to the people of Victoria. The government is introducing a new Audit Bill, albeit one that is still to be properly completed to our full satisfaction, which is similar to one proposed by the former government, and it is utterly laughable that it is now being opposed by the Labor Party.

Mr BAKER (Sunshine) — On a point of order, Mr Acting Speaker, I am not sure what your definition of a passing reference is, but a 7-minute dissertation in a 30-minute speech would hardly be a passing reference.

Mr CLARK (Box Hill) — On a point of order, Mr Acting Speaker, the honourable member for Glen Waverley is speaking to the bill. It is clear that the honourable member for Sunshine has not been listening because the honourable member for Glen Waverley is talking about the Audit Bill introduced by the former government and comparing it to this bill.

The ACTING SPEAKER — Order! I direct the honourable member for Sunshine to part 3 of the bill. I believe the honourable member for Glen Waverley is speaking on the bill and, therefore, there is no point of order.

Mr E. R. SMITH (Glen Waverley) — Independence is the key to what this government is encouraging: the independence of the Auditor-General to be able to report to Parliament. Other reports the Auditor-General managed to bring in during the term of the former government included the report about the costly failure of the MetTicket project. It is no wonder the opposition does not raise points of order raised on this matter, Mr Acting Speaker, because these things hurt the Labor Party. They remind the Labor Party of things it does not want to hear.

The Auditor-General also reported on the disclosure of previously hidden negotiations by the former government in the Bayside development project which cost Victorian taxpayers over $470 million; the complex financing arrangements and obligations associated with the National Tennis Centre; the deficiencies in the accountability of visiting medical doctors in public hospitals; and the costly work practices of Public Transport Corporation workshops, construction work within the former Department of Planning and Development and of school cleaners. Those examples show what the Auditor-General was able to achieve working as an independent person.

I know my contribution is to be followed by the honourable member for Werribee, who will probably say that he never intended to recommend the sacking of the Auditor-General because he fearlessly released these reports. But we all know the pressure the Auditor-General was under from people like the honourable member for Werribee when he was Speaker of this house. We know the dissent within the Labor Party and the move to have the Auditor-General toppled. I would like the honourable member for Werribee to deny that. The Auditor-General has been able to fearlessly deliver to Victorians the truth about the financial mismanagement perpetrated by the Labor Party.

It was laughable to hear the honourable member for Sunshine say the honourable members for Dromana and Frankston should vote against the bill because the opposition wants some minor amendments made to it. I have already explained that not all the amendments recommended by the Public Accounts and Estimates Committee have been incorporated in the bill. His comments were also laughable because they took no account of the government’s huge legislative program. The bill has been on the drawing board for some time, and I feel confident that once the Treasurer and his department have fully analysed the recommendations of the Public Accounts and Estimates Committee we will see changes made in good time, not according to the time constraints imposed by the honourable member for Sunshine.

The Auditor-General came under close scrutiny in a report by Fergus Ryan, which the Public Accounts and Estimates Committee was privileged to examine soon after its formation. As the honourable member for Sunshine said, the committee has worked hard and with consensus, and I hope that will continue.

The effectiveness of the work of the Victorian Auditor-General’s office was confirmed by the 1992 Fergus Ryan review, which found:

The Auditor-General is meeting his objectives effectively, economically and efficiently. The directions
and momentum of his office are positive and constructive.

That should be viewed in the light of criticisms made by the previous Speaker, the honourable member for Werribee, who will follow me in the debate. Fergus Ryan also found that:

The office, given its audit responsibilities across the Victorian public sector, is on any analysis one of the most significant auditing practices in Australia.

The office’s financial audit methodology is consistent with current audit thinking.

The office’s performance audit methodology is advanced in development by world standards, and its application to specific engagements is generally of a high standard.

The presentation of the office’s performance audit reports is of a very high standard in world terms.

The principles underlying the work of the audit office rest on accountability and independence. The government of the day has an obligation to be accountable to the people of Victoria for its use of public funds. It must ensure that funds are raised properly, protected from loss and spent only for the purposes approved by Parliament, and that value is obtained for money spent. Members of Parliament have a responsibility to scrutinise the affairs of government. To assist them in their scrutiny, the government must give parliamentarians complete, understandable and reliable information on how it carries out its activities.

The honourable member for Forest Hill has been a member of this place for 17 years. He and many other members on this side of the house have read reports from the Auditor-General which have contained that type of information. Part of the role of an Auditor-General is to be a knowledgeable and impartial person with a mandate to examine the information given to members of Parliament by the government, to make independent examinations of government departments, agencies and programs, and to report to Parliament on significant matters. The 14 special reports the Auditor-General’s office produced during the Labor administration gave the people of Victoria, through the Parliament and the media, an opportunity to see the results of the maladministration, the financial mismanagement and, in many cases, the economic vandalism perpetrated by that government. The audit process is necessary because it enables members of Parliament to fulfil their responsibilities.

I shall comment on some of the points made by the honourable member for Sunshine, especially the scurrilous allegations made against members of the Public Accounts and Estimates Committee. The bill was introduced during a period of frenetic legislative programming and before the committee’s report was written and printed. So the government did not have the opportunity of incorporating all the amendments.

Honourable members interjecting.

Mr E. R. SMITH — I have explained that. The government will make the necessary amendments in due course. The committee will direct the government’s attention to the most desirable reforms, and the government will make an honest attempt to implement as many reforms as possible given the current economic climate. The committee is not working in collusion with the Treasurer or the Treasury, which is why it has the respect of Parliament.

Dr COGHILL (Werribee) — I oppose the bill because it is fatally flawed, as the honourable member for Sunshine has pointed out. That fatal flaw goes to the heart of both the historical basis of the establishment of the Auditor-General’s office and the contemporary role of that office. The legislation should be rejected, given the cultural shift the government has attempted to force on the operation of government, under which the independence of the Auditor-General and the security of tenure of judges are no longer sacrosanct. One need refer only to what happened to Moira Rayner to see a stark illustration of that cultural shift.

I refer to a document which I have made available to the Speaker and the Treasurer and which I seek to have incorporated in Hansard. It is a speech I gave to senior staff of the Auditor-General’s Office on 24 October 1990.

Leave granted; speech as follows:

THE RELATIONSHIP BETWEEN THE OFFICE OF THE AUDITOR-GENERAL AND PARLIAMENT

BY THE HON. KEN COGHILL, MP, SPEAKER,
PARLIAMENT OF VICTORIA, 24 OCTOBER 1990.

I have been invited to talk on the relationship between the Auditor-General’s office and the Parliament, and to
explore the role of the Auditor-General both from the point of view of the traditional role it has played, as well as from the perspective of modern day demands for increased public sector accountability.

It has long been fundamental to our Westminster type of constitution that parliamentary consent is necessary before the executive can levy taxes, expend public moneys or borrow. This is enshrined in article 4 of the 1689 Bill of Rights.

Events leading to the revolution of 1688 from which the Bill of Rights emerged, confirmed the tradition that political change and the redress of grievances had to be sought through Parliament. Parliament was established as the transcendent and absolute power.

It should be noted that the Parliament is defined constitutionally as consisting of three components being the Governor, who is the Queen’s representative, the Legislative Assembly and the Legislative Council.

The executive of government is derived from the Parliament and holds office by the sanction of the Parliament. In this sense, the Parliament is the symbol and safeguard of democracy and protects the people from any excess or imbalance brought on by executive government. If the executive is untrammelled and allowed to dominate the Parliament, then Parliament is reduced to a mere rubber stamp for government action and can mask the potential for autocratic decision-making.

The position of Auditor-General is created by the Parliament for purposes defined by the Parliament.

The relationship between the Auditor-General and the Parliament is not defined by the Parliament’s Presiding Officer but by the Parliament itself.

The Parliament has defined this relationship by using its authority, based on the principles of the 1689 Bill of Rights and established by the constitution statute of 1855, now the Constitution Act 1975, and by enacting the Audit Act 1958 as amended.

Interpretation of this act (and other acts) is assisted by reference to the record of parliamentary debate on the bill for the act. This is provided for in the Interpretation of Legislation Act 1984.

Thus the provisions of the act, together with the debate on the bills leading to the current form of the act, provides guidance for the relationship that the Auditor-General is to have to the Parliament and the role the Auditor-General is to undertake.

It is within this context that the role of the Auditor-General holds both a significant and sensitive role. Historically, the Office of the Auditor-General has its origins in mid-19th century Britain. Because of the limited opportunities for Parliament to responsibly judge the government’s expenditure proposals and achievements, during the formal processes of debate, Prime Minister Gladstone called for the establishment of a parliamentary accounts committee to conduct ex-post reviews of government expenditure. In this sense, public audit was established as one of the key processes by which information is made available to Parliament to enable it to perform its historical role as a watchdog of the people.

In the Australian context, the audit function perceived for the Auditor-General in the original 1901 federal Audit Act was clearly one of financial audit. Financial auditing, which as you would know, is also sometimes referred to as traditional or compliance audit, seeks to determine whether financial operations are properly conducted in accordance with approved procedures; whether the financial reports are presented fairly; and whether the entity being audited has complied with applicable laws and regulations.

In this sense, the Auditor-General’s traditional role has been a fact-finding and procedural one.

This type of budgetary control enforced by state audit is for western democracies a very important constitutional device.

Without it, control of the public purse by legislative power would be an empty concept and there would be very little scope for Parliaments to exercise any influence over day-to-day administration. Moreover, financial discipline within the executive itself would also be compromised.

As E. L. Normanton observed in his monograph The Accountability and Audit of Governments (1966):

The essential democratic interest is that the constitutional and financial security which comes from detailed accountability should exist in some form.

As already stated, the position of Auditor-General was established as a practical means by which the fiscal accountability of the administration to the Parliament could be reinforced.

Because the executive is accountable to Parliament for the stewardship of its resources, the Auditor-General becomes the executive’s external auditor with the responsibility of reporting to the Parliament.
The independence of the Auditor-General was established by the 1901 Victorian Audit Act and maintained in the 1958 act by providing that he is appointed by the Governor in Council but is not subject to the Public Service Act, is not to engage in any other paid employment, his salary is automatically appropriated, and he cannot be removed from office except by both houses of Parliament.

He is therefore independent of the executive government. He is responsible to the Parliament, but even the Parliament has been careful to distance itself in supervision of his activities, e.g. by the provisions for a performance audit of the Auditor-General. The Hansard record of debate on the Audit (Amendment) Bill provides evidence of the Parliament's intentions concerning the role of the Auditor-General and his independence and competence.

The second-reading speech in the Assembly, delivered by the now Treasurer on behalf of the Premier, takes the independence and competence of the Auditor-General as its underlying theme and the basis of the bill's provisions. For example, in referring to performance audit of the Auditor-General, the speech said:

In order to preserve the independence of the audit office and the auditor responsible for its audit, Parliament, rather than the executive, is to appoint the auditor of the Auditor-General's office on the recommendation of the Economic and Budget Review Committee.

Comments of the Leader of the Opposition and other non-government members similarly assumed the independence and competence of the Auditor-General.

In the Legislative Council, the Honourable Roger Hallam, now coalition finance spokesman, referring to the Auditor-General said, 'We need an independent, competent, fearless and authorised watchdog' and 'we cannot expect to get full value from our watchdog — and that is what he is — if we keep him on the chain, no matter how long that chain is'.

In concluding he said, 'Protection that will come only from the knowledge that his independence, competence and authorisation are put beyond doubt is necessary'.

Mr Hallam also described the Auditor-General as an officer of the Parliament.

The Honourable Mark Birrell, opposition leader in the Legislative Council, described the Auditor-General as the 'financial watchdog of the state of Victoria' and as 'a servant of Parliament ... independent in that he acts on behalf of us all'.

The Honourable Rosemary Varty described the Auditor-General as 'an independent officer who is responsible to Parliament'.

Mrs Varty also made 'a plea to the government not to hamstring the Auditor-General ... through lack of resources' — a comment which must be taken together with the expectation that the Auditor-General is obliged to be effective, efficient and economical. I endorse that sentiment.

The debate also confirmed the Auditor-General's special relationship with the Legislative Assembly arising from the house's particular constitutional powers in respect of money bills, when the Legislative Council did not persist with an amendment to give itself an identical statutory requirement to be presented with reports of the Auditor-General.

A number of members commented on the requirement that the Auditor-General not report on government policy objectives.

There was extensive debate on this issue in the Legislative Council, leading to amendment of the original bill in order to present the provision now in the act.

The subsection provides the following definition:

'Policy objectives' includes any policy objective of the government contained in a record of a policy decision of Cabinet, a policy direction of a Minister, a policy statement in any Budget Paper or any other document evidencing a policy decision of the Cabinet or a Minister.

The Auditor-General has commented on this provision at paragraph 2.7.9 on page 131 of the report tabled on 9 October 1990.

It should be noted that the provision was carefully considered by the Parliament and represents a unanimous view supported by all three political parties represented.

The mover of the amendment, Liberal opposition leader, Honourable Mark Birrell, MLC, said:

This is designed to ensure that the policy objectives that the Auditor-General is not permitted to comment upon are defined to eliminate any doubt about whether they relate to policy matters. The existing clause is not sufficiently precise and could be too broadly read. This amendment ensures that
a policy objective is restricted purely to a policy matter.

Then Honourable Roger Hallam, MLC, of the National Party, spoke in support of the amendment and the government agreed to it.

The Parliament has confirmed that it is not the role of the Auditor-General to review politically determined policy which clearly would include policy made by the government in the person of an individual minister or by the cabinet. It should also be recognised that the choice of means of meeting a basic policy objective may also be a policy objective and similarly not subject to review.

In the Australian context, the independent status of the Auditor-General enables him to seek to assist both the executive and the Parliament. Provided that the Auditor-General seeks primarily to identify weaknesses and problem areas in government departments or agency operations and not to recommend detailed remedies, then he need not be in a conflict of interest situation.

Public audit then should seek to serve two major purposes:

1. to provide a reasonable guarantee that waste, inefficiency or lack of productivity in government administration will be disclosed to the Parliament and the public; and
2. to provide valuable information to the executive concerning the quality of operations audited.

However, because of the increasing complexity of modern government and the concomitant increased demand for greater public accountability, the traditional role of the Auditor-General in compliance auditing has come under pressure.

As the political scientist, Dr Hugh Emy has observed:

The size and power of the bureaucracy in relation to the community, the politicians and the expenditure process have grown considerably. Internal controls must reflect the new balance of power and the kind of responsibility which has been invested in the bureaucracy. Questions of performance and cost-consciousness have become significant in a resource conscious society. Controls are needed which are positively directed to improving performance. (Quoted in B. Kimball: An Extended Audit Function (1976))

The sorts of controls alluded to in Professor Emy's comment lead to the sensitive subject of efficiency and program auditing.

Efficiency audit, otherwise known as performance audit, seeks to ascertain whether an entity is managing or utilising its resources of personnel and property in an economical and efficient manner (that is, with a view to using the best, least-cost mix of resources) and the causes of any inefficiencies or uneconomical practices.

Potentially even more controversial is program auditing. This seeks to ascertain whether the desired results or benefits are being achieved, whether the objectives established by the legislature or other authorising body are being met and whether the agency has considered alternatives which may yield desired results at a lower cost.

Leaving aside the very controversial political implications of this type of auditing at this point, it needs to be stated here that a principal difficulty for audit investigators mainly trained in financial auditing is the absence of absolute or objective criteria against which to assess efficiency.

The auditor can only judge performance in relation to some established standard. Where management has not established evaluation criteria, it becomes the task of the auditor to develop these. It has been suggested that these could include being alert to:

- procedures which are more costly than justified;
- duplication of effort by employees or between organisational lines;
- performance of work serving little useful purpose;
- faulty buying;
- wasteful use of resources.

In the federal sphere, when a limited form of efficiency audit was introduced in 1975 and defined as 'a systematic and comprehensive examination to form an opinion on the economy and effectiveness of the implementation of approved government policy and of the management of departmental resources' there was said to be considerable confusion concerning the nature and technique of this form of auditing. This extension of the Auditor-General's role reportedly failed to take into account the regulatory audit background of audit staff. It suddenly required of staff who had previously audited against treasury regulations in an absolutist context of right or wrong to enter into the grey area of appraising reasonable management use of resources.

Moreover, within the federal act there are several general clauses which, it has been argued, give the Auditor-General power to go beyond purely financial
checks — this refers to section 51A of the federal Audit Act. This reads:

The Auditor-General shall include in any report made by him ... such information as he thinks desirable in relation to audit examination ...

The equivalent section in the Victorian Audit Act 1958 is section 48, which reads:

The Auditor-General may in such yearly report, or in any special report which he at any time thinks fit to make, recommend any plans and suggestions that he thinks worthy of adoption for the better collection and payment of public and other moneys and control of stores and more effectually and economically auditing and examining the public accounts or the accounts of public authorities, and any improvement in the mode of keeping such accounts that at any time is brought to his notice and generally to report upon all matters relating to such accounts.

The generality of these clauses is sometimes used to justify audit other than the strictly financial. Some would argue, given the complexity of the modern public sector, that an audit which concerns itself with nothing but regularity is too narrow and unhelpful to government.

As Normanton observed:

The most wasteful, extravagant, foolish and ill-planned activities are frequently regular in a technical sense.

Indeed, the standards of traditional regularity may be quite irrelevant to a rational critique of modern administration.

It could be argued that strictly speaking value for money cannot be gauged by means of financial auditing alone.

The best commonsense definition of efficiency and effectiveness that I have seen is that used by the 1976 report of the Royal Commission on Australian Government Administration. Their definition reads as follows:

... effectiveness is one of two distinguishable elements in efficiency. Effectiveness is concerned with the relationship between purpose and result. Thus, an action or program is effective if it achieves the purpose for which it was initiated. But efficiency involves additionally a consideration of the resources used in achieving the result. A program is efficient only if its effectiveness is achieved with an economic use of resources. Efficiency is therefore also concerned with the relationship between resources used and the results achieved: between input and output. It comprehends both economy in this sense and effectiveness.

Critical to the debate on value-for-money auditing is the distinction between systems-orientated and results-orientated value for money auditing. Results-orientated, value-for-money audits actually seek to judge programs or activities in terms of all or some of the three criteria of economy, efficiency or effectiveness.

If the Auditor-General is to undertake results-orientated, value-for-money audits, some line must be drawn so that the Auditor-General does not become involved in work which reflects on decisions made as part of the democratic process of policy making.

The views put forward by the former Auditor-General in a speech in 1987 on effectiveness auditing well summarise the appropriate position. In this speech he said:

... a distinction should be made between policy effectiveness and management effectiveness. Audit involvement does not extend to considerations of policy effectiveness. In my view it is not appropriate for audit to comment upon the policy decisions of an elected government, which has a mandate to govern. The government will be accountable for their decisions through the election process.

Management effectiveness on the other hand should be subject to audit. It is appropriate for audit to evaluate the effectiveness of management decisions in the form of departmental strategies and processes adopted to implement policies.

The possibility exists that the Auditor-General might identify political factors responsible for lack of program effectiveness. Given the nature of the Auditor-General's office it would be inconsistent with our democratic system for him to question the relevant government policy. By the nature of his office and by convention the Auditor-General does not and should not become directly involved in the processes of political decision making in the Parliament and the government.

A distinction must be made between government policy — that is, the objectives and priorities of public expenditure determined by popularly elected representatives in the normal parliamentary political process — and administrative decisions and directives.
The Auditor-General has traditionally interpreted his statutory responsibilities as extending only to the way in which government policies have been implemented, not to the advisability of the policy itself.

Within the Australian political system, the independent status of the Auditor-General requires his non-involvement in the political decision-making process. Thus he should avoid comment on government policy.

Integrity, objectivity and independence are axiomatic to the Auditor-General's role. Section 14, part II of the Statement of Auditing Standards very clearly describes the required professional characteristics of the role. It reads as follows:

Auditors shall be straightforward, honest and sincere in their approach to their professional work. They must be fair and must not allow prejudice or bias to override their objectivity. They shall maintain an impartial attitude and both be and appear to be free of any interest which might be regarded, whatever its actual effect, as being incompatible with integrity and objectivity.

It is clear that the Parliament expects the Auditor-General to be independent. It is of course understood that independence does not countenance a maverick position. Instead, it means independence in accordance with professional ethics. Those ethics are, by statute, the same as those applying to the rest of the profession.

It is equally axiomatic that the Auditor-General must be competent and of the highest integrity.

The prime difficulty for the Auditor-General will be to restrict his evaluation to the manner and outcome of implementation of the program objectives without challenging the objectives themselves, if politically determined. His evaluation, may in some cases, indicate that political objectives underlying programs are unattainable. In these circumstances the results of his investigations can be reported to the relevant government authority. The Auditor-General's report need only remark that as a result of investigations, relevant authorities were reviewing the program involved.

As indicated by auditing standards, the effectiveness of the Auditor-General whether described as a watchdog or in other terms is related not only to statutory provisions for the independence and competence of his office but also to perceptions of his independence and competence.

If there were a perception that actions of the Auditor-General did not reflect the level of competence expected of him, his reports and findings would be discounted accordingly.

If there were a perception that actions of the Auditor-General were inconsistent or were not uniform in his reports or his relations with different individuals, bodies or organisations, his reports and findings would be discounted accordingly.

If there were a perception that actions of the Auditor-General went beyond his role as determined by the Parliament, his reports and findings would be discounted accordingly.

If there were perceptions that reports, findings and summaries were presented so as to facilitate sensational reporting or even to attract publicity to the Auditor-General, his reports and findings would be discounted accordingly.

If there were perceptions that legal or other authoritative opinions contrary to an audit view were not fairly presented, analysed, argued and taken into account, his reports and findings would be discounted accordingly.

Each of these possible perceptions must be primarily considered by you as matters arising from your individual and collective professional conduct.

You must each consider whether your individual professional conduct is in accordance with the Statement of Auditing Standards and enhances or diminishes the actual and apparent independence and competence of the Auditor-General and thus his effectiveness.

You must each consider whether your methodology — your data selection and collection, your analysis, your interpretation, the expression you use and the findings you draft — are beyond challenge as being of the highest professional standard.

If you present figures on revenue, expenditure or other financial figures over a series of financial years, you must question whether the figures calculated and presented are on a comparable basis to other figures in the report and in previous reports. If not, are the reasons explained?

Are the figures presented in a fair way?

If the figures related to, say, a 10-year period, would it be reasonable to present nominal values rather than
values adjusted for inflation or to some other standardised basis?

If you were to present a chart illustrating the funding gap between payments and receipts expressed in constant 1989-90 prices, would it be reasonable to include in the same section of a report a chart illustrating annual deficits for the same period expressed in nominal figures?

In a chart illustrating annual deficits, would it be reasonable to use nominal figures which might show a much higher rate of increase over, say, 10 years than if a deflator had been used and which deflator might also reverse the relative sizes of certain annual deficits?

If information was provided to one member of Parliament, would it be reasonable to provide it only to that member and through him/her to his/her political party? Often in politics information is power and even a seemingly innocuous piece of information may be used to partisan political advantage.

These are not questions for me to answer. They are primarily questions for your professional consideration.

In that context, I draw your attention to at least three separate comments in major metropolitan newspapers questioning the integrity of the report of the Auditor-General on the Treasurer's statement for the year ended 30 June 1990.

In the Herald Sun of Thursday, 11 October, columnist Peter Alford referred to the Auditor-General's step of counting in $16 billion of unfunded superannuation liabilities as part of a total debt figure. He wrote:

They aren't present debt in any strict sense and they haven't been treated as such by any previous Treasurer or Auditor-General.

Given the tendency for public perceptions to seize on the apparently simple snapshot, you must explain firstly to yourselves the professional basis of presentation evident in the latest Auditor-General's report. It has been said that these unfunded liabilities have not been included as part of calculations since 1927, and the effect of their inclusion is to boost a perception of debt.

Robyn Dixon, writing in the Age of 13 October 1990, made reference to the Auditor-General report as 'flawed though it was in some places'.

The editorial of the Sunday-Herald of 14 October 1990 opened by saying:

It may well be possible to dispute some of the criticisms levelled by Victoria's Auditor-General, Mr Ches Baragwanath.

These are the sort of perceptions that you as officers of the Auditor-General's office need to consider. It is firstly for you to reflect on how these perceptions have arisen and whether any action or inaction of the office contributed to them, undermining its own standing.

The Victorian Parliament has now followed other jurisdictions in providing for independent performance audit of the Auditor-General. It has provided for the auditor to be appointed by the Parliament, itself, on the recommendation of the Economic and Budget Review Committee.

That committee is an all-party committee with members drawn from both houses, and it is expected to follow the best traditions of parliamentary committees in addressing its role in a non-partisan manner.

The performance audit of the Auditor-General is of course not intended to diminish the obligation of the Auditor-General and his officers to observe unchallengeable professional standards any more than the Auditor-General's role should diminish the obligations of officers in bodies he audits. Rather, it answers the question 'Who audits the Auditor-General?' and provides a mechanism whereby the Parliament can receive an assessment of his performance comparable with his reports on government bodies.

I trust that these comments have canvassed most of the issues comprising the modern role of the Auditor-General vis-a-vis the Parliament and has established the clear delineation of these roles.

Dr COGHILL — I thank the house for its courtesy in allowing the incorporation of this voluminous document. It reveals that the assertions made by the honourable member for Glen Waverley about my role are just as false as the assertions made to justify the Vietnam War, the incident in the Bay of Tonkin and the government of South Vietnam's request for Australian soldiers. They were false, just as his assertions about my role were utterly false.

Mr E. R. Smith interjected.

Dr COGHILL — I am not surprised that that is beyond the honourable member for Glen Waverley. He certainly did not display any intellectual capacity in the comments he made.
The professional standards pursued by the Auditor-General are matters for him and his staff. An independent audit of the Auditor-General, such as that by Fergus Ryan, is very much a secondary matter. If the Auditor-General is doing his job correctly there should not be the opportunity for an independent auditor to expose any shortcomings in his function and his office. One will see from reading the comments I made in October 1990 that I challenged officers to assess their own performance and the performance of the office against some of the comments that were being made at the time about the quality of reports by the Auditor-General. I take some comfort from the fact that the professionalism of the Auditor-General and his reports appear to have improved since that time and since the decision of the previous Parliament to establish an independent audit of the Auditor-General.

Another relevant point made in that speech was that a number of senior members of the then opposition regarded the Auditor-General as an officer of the Parliament. For example, the Honourable Roger Hallam, now the Minister for Local Government and other portfolios, said in debate in the Legislative Council in 1990 that he regarded 'the Auditor-General as an officer of the Parliament'. The Honourable Mark Birrell, the Leader of the Government in another place, described the Auditor-General as 'the financial watchdog of the state of Victoria' and 'as a servant of Parliament ... independent in that he acts on behalf of us all...'. Mrs Varty, the parliamentary secretary for cabinet, an office that I once held, described the Auditor-General as 'an independent officer who is responsible to Parliament'. All those comments support the recommendation of the Public Accounts and Estimates Committee that the Auditor-General should be an officer of the Parliament appointed by the Parliament and formalised by the Governor in Council.

The speech I made on that occasion did not pursue the manner of appointment of the Auditor-General. It is worth noting the history of the bill. The Minister for Finance, who gave the second-reading speech on 19 November 1993, referred to the 1983 report of the then Economic and Budget Review Committee. It commented on the status of the Auditor-General in relation to the Parliament. On that occasion, I acknowledge, it rejected the view that the Auditor-General should be an officer of the Parliament.

The rejection was endorsed in the committee's 21st report to the Parliament in October 1987. Since then the world has moved on; in some ways it has re-established and reasserted the original historical view that the Auditor-General should be directly responsible to Parliament and should not be beholden in any sense to the executive as is currently the case in Victoria and as is reinforced by this bill.

The first major turning point comes in report 296 of the commonwealth joint public accounts committee entitled The Auditor General: Ally of the People and the Parliament. The committee made that clear in its recommendation appearing at page 76:

The committee recommends that:

Future audit legislation state unequivocally that the Auditor-General is an officer of the Parliament in order to emphasise the Auditor-General's relationship with Parliament.

A subsequent recommendation in paragraph 6.12 at page 77 continues:

The committee recommends that:

The government appoint an advisory panel comprising the chairperson of the audit committee of Parliament and the Minister for Finance, and one person nominated by the Leader of the Opposition. Further, nominations to fill future vacancies of the post of Auditor-General be made by the Prime Minister after consultation with the advisory panel. The Governor-General will make the appointment.

It was a significant move towards what should be the proper relationship between Parliament and the Auditor-General. That matter has recently been picked up by the commonwealth government and the report of the Public Accounts and Estimates committee late last year. It arose in a recent debate in the Senate — the details are recorded in the Hansard of 3 March 1994 — in the form of an amendment proposed by Senator Kernot, the leader of the Democrats. Her amendment and an exchange of correspondence — which was incorporated in Hansard — drew attention to the issue. The correspondence, which was between Senator Kernot and the Minister for Finance, Kim Beazley, makes it clear that the commonwealth Auditor-General should be a parliamentary officer and that the appointment should be through the agency of an audit committee. It suggests that one of the discussion points for Audit Act negotiations should be that the Auditor-General become a statutory
officer of the Parliament and a separate statutory authority.

Subsequent to the debate on the amendment the Leader of the Government in the Senate, Gareth Evans, made a ministerial statement in which he made it absolutely clear that the government would be accepting and acting on those recommendations and that its action would follow in the form of legislation in the spring session of 1994. From that it was clear that the proposals in Senator Kernot’s amendments were to become the national standard in Australia.

That is the principle Victoria should be heeding - and that is the action that should be taken. Victoria should be establishing an audit committee that will be a committee of the Parliament working with the Auditor-General and making recommendations to the house for the appointment of future Auditors-General as the position becomes vacant from time to time.

The issue is not whether the term should be seven years or a greater or lesser period: the issue is who selects the Auditor-General and how the appointment is to be formalised. If the selection is made by an all-party committee so that it would necessarily come before the Parliament to achieve consensus we can be sure that future Auditors-General will not be beholden to the government of the day at their time of appointment - and perhaps for the remainder of their appointments depending on election outcomes.

If Victoria were to introduce such a system the public could have much greater confidence in the integrity and independence of the Auditor-General. Certainly both sides of the house could have full confidence in the integrity and independence of the Auditor-General. The government has deliberately forgone the opportunity of taking that principled course of action.

The honourable member for Glen Waverley said the government is considering the 1992 report of the Public Accounts and Estimates Committee. This may become an example of legislating in haste and repenting at leisure. This Parliament, like other Parliaments, and this government, like other governments, do not have unlimited time in which to draft, consider, debate and enact legislation. The government and the cabinet will have a large queue of legislation proposed to it by ministers and ministers will have large queues of legislation proposed to them by public servants and others who want legislative change in Victoria.

Having made these changes it will be difficult for the Treasurer to again get a spot in the queue to introduce another set of major reforms to the Audit Act so soon after its re-enactment. It would be a far better use of Parliament’s and the Treasurer’s time if the Treasurer were to adjourn debate on the legislation until the government has had time to make up its mind about the recommendations of the committee and to introduce amendments that will reflect its consideration of those recommendations. If it were to do that, it would be more satisfied with the result than will be the case as a consequence of the bill.

I support the honourable member for Sunshine in his opposition to the legislation as it stands because it is fatally flawed. It can be remedied, and the measure required to do that is no more than the consideration of a unanimous report and recommendations of an all-party parliamentary committee. The basis of further amendment is already available and it is impossible to believe the government would be unable to consider the report in a reasonable time frame. The danger for the Parliament, and more importantly for the good government of Victoria, is that the government will not find another spot in its legislative program for further amendments to be made if it decides to proceed with them.

It is important and urgent that the government delay these proceedings until it can complete its consideration of those recommendations and introduce amendments that reflect that consideration.

Mr CLARK (Box Hill) — I am pleased to follow the honourable member for Werribee in this debate because, unlike the honourable member for Sunshine, if one disregards the start and finish of his contribution there was at least some content in the middle and he came to grips with some of the issues that relate to audit in the public sector in the 1990s. This is not an issue that should proceed on anything
other than a bipartisan basis. It is a relatively dry and unexciting area that is highly unlikely to swing votes across the political fence one way or the other.

I was perplexed by the simulated emotion with which the honourable member for Sunshine spoke to this legislation. He tried his best, albeit not successfully, to present the bill as yet another item on the opposition’s mythological list of grievances about alleged interference by the government with public office-holders. However, the arguments put by the honourable member for Sunshine do not stand up to examination.

The first of his arguments was about not following the recommendations of the Public Accounts and Estimates Committee report on the Fergus Ryan report. If one examines the dates one sees that the Public Accounts and Estimates Committee report was tabled on 24 November 1993, by which time the bill now before the house had already had its second reading. That second reading took place on 19 November 1993. The government may be quick off the mark but it cannot be expected to read the minds of the members of the committee and incorporate their recommendations into legislation ahead of the report being tabled.

In many respects the bill is based on a similar bill introduced by the former government. That bill was a long time coming, because many of the matters contained in it were recommended by a 1983 report of the former Economic and Budget Review Committee, as the honourable member for Werribee said, but it was not until late 1991 that the previous government managed to introduce its bill acting on the recommendations of the 1983 report. It is somewhat cheeky of opposition members to complain that the present government has not responded to a report that was tabled in this Parliament only on 24 November 1993.

The honourable member for Werribee asked a sensible question: ‘Given that we have had the report from the Public Accounts and Estimates Committee, why don’t we park this bill and contemplate the recommendations of that report and then incorporate them in this bill?’ If one were examining the Audit Bill on its own, there may be some merit in that argument. But the Audit Bill is one of a pair with the Financial Management Bill, which also appears on the notice paper. Honourable members who have had dealings with both bills will know that they in effect disaggregate into separate components many provisions on financial management and audit that up to this point have been jumbled up in the Audit Act.

If this bill were to be deferred one would have also to defer the Financial Management Bill, which contains many valuable and pressing reforms that should become operational as quickly as possible. It is sensible in those circumstances for the government to proceed with the Audit Bill and to then give careful consideration to the recommendations of the Public Accounts and Estimates Committee, decide the extent to which it accepts those recommendations and return with a further bill. There is nothing inconsistent with the position adopted by members of the Public Accounts and Estimates Committee in supporting that course of action. It is the most effective way to proceed with the orderly business of the house, and more importantly it has the advantage that valuable reforms in financial management will be up and running for the 1994-95 financial year.

Contrary to the argument put by the honourable member for Sunshine that the Audit Bill is an attempt to nobble the Auditor-General, it takes further many of the changes contained in the legislation introduced by the previous government. If the honourable members for Sunshine and Werribee want to argue that the bill does not go far enough and more good things could be done, the best way to do that would be to debate the bill in a bipartisan way. The government would be receptive to arguments on that point.

I turn to a number of the specific areas of complaint of the honourable member for Sunshine and will demonstrate either that they parallel measures in the bill introduced by the previous government or that his complaints are otherwise without foundation. Firstly, the honourable member for Sunshine said that the bill does not go far enough in the range of authorities it empowers the Auditor-General to audit and referred to recommendations of the Public Accounts and Estimates Committee. I shall compare the present bill with the corresponding bill introduced by the previous government. Clause 4(f) of the Audit (Amendment) Bill introduced by the previous government states:

“‘public body’ means —
(a) a public statutory authority; or
(b) a person or body prescribed for the purposes of this definition;”

The equivalent definition of ‘public body’ in clause 3 of the Audit Bill contains three additional heads of
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authority for the Auditor-General to audit that were not proposed by the previous government:

(b) a State business corporation or State owned company within the meaning of the State Owned Enterprises Act 1992; or

(c) a corporation, all the shares in which are owned by or on behalf of the State, whether directly or indirectly; or

(d) a trustee of a trust of which the State is the principal beneficiary;

Under this bill they can all now be audited by the Auditor-General but were not included in the authority proposed to be conferred on the Auditor-General by the previous government.

To reinforce the view that the other side of politics did not press this concern when in government, I point out that the bill introduced by the previous government lay around from November 1991 until the October 1992 election. The former government did not proceed with it, which is an indication of the enthusiasm with which it approached the issue.

Whether the bill should extend to cover all bodies, corporate or unincorporate, in which the state has a controlling interest is an open issue. Certainly there is a case for giving the Auditor-General further scope to audit enterprises and activities in which the government has a financial interest. However, against that one must weigh the fact that the Auditor-General may well audit bodies in which there is a large private sector interest — bodies established under Corporations Law, which are subject to other statutory requirements. Therefore, although there is something to be said for the proposals suggested by the committee and supported by the honourable member for Sunshine, the matter requires careful consideration. We should not gallop into it without thinking about it.

The honourable member for Sunshine made what I consider to be an unfair reference to comments made by the honourable member for Bulleen about the need for the Auditor-General to have the power to audit bodies that receive government grants.

Clause 20 of the bill gives the Auditor-General an express power to examine agencies funded by the government. Such a provision was proposed by the opposition at the time of the previous bill, but it was not adopted by the then government.

The honourable members for Sunshine and Werribee referred to the issue of who appoints the Auditor-General, and the honourable member for Werribee made the valid point that debate on the issue has progressed. It is a perennial debate. I recall debating a similar issue concerning the Ombudsman during the office of the previous government.

Whether such a reform is practicable is open to question. So far as I can see there is merit in it because it cements the role of the Auditor-General as an officer of the Parliament. However, in opposition one can float these ideas and support them without having to account for them, but in government one has to think through all the implications and make sure it is not simply a good idea in principle that will not work in practice.

As the honourable member for Glen Waverley said, the report of the Public Accounts and Estimates Committee is in the public arena and is being considered by the government, so all the issues can be evaluated. The honourable member for Werribee referred to remarks made by members of the government concerning the Auditor-General being an officer of the Parliament. However, his appointment by the Governor in Council does not prevent him being an officer of the Parliament. The key questions are to whom the Auditor-General reports, the degree of independence he or she has from the government, and what power there is to remove the Auditor-General from office. Clearly that is vested in the Parliament and in the Parliament alone.

The tenure of the office of the Auditor-General as prescribed in the current bill is almost identical to that prescribed in the bill introduced by the former government, with the exception that there is no provision for compulsory retirement at the age of 65 years. The government does not believe such discriminatory provisions are desirable. The bill introduced by the former government did not propose any variation from the past manner of
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appointing Auditors-General and did not propose that the Auditor-General should be appointed by a committee of the Parliament. He or she was to be appointed by the executive, as is still the case.

Mr Baker — Talk about the term!

Mr CLARK — I commend the honourable member for Sunshine raising the issue of the term. He should read section 6(2) of the Audit (Amendment) Bill of 1991, which states:

In section 5(1) of the Principal Act, for “during good behaviour” substitute “for 7 years or until attaining the age of 65, whichever is the shorter period”.

The bill did not say that the Parliament makes the appointment.

Mr Baker — That doesn’t make it right now! What do you think?

Mr CLARK — I have made my views on the subject perfectly clear and they have the advantage of being consistent. The honourable member for Sunshine also raised the scope of the performance audits and who pays for them and referred to the house amendments I expect the Treasurer will make to delete clause 24. The honourable member for Sunshine seems to have misread it. This transitional provision contemplates the possibility of the legislation being in operation prior to 1 July this year and provides that in that case the payment for conducting performance audits of departments between 1 January and 1 July 1994 would be made from money appropriated by the Parliament. The provision that will have permanent operation is section 16(8), which states:

The reasonable costs and expenses of the Auditor-General in conducting an audit of a department under this section must be paid from money appropriated to the Parliament.

The question that is subject to debate is whether the performance audits of statutory authorities should be paid for by Parliament or by the statutory authorities. That is a legitimate issue for debate, and there is considerable merit in the idea of the performance audits of public authorities being paid for by the Parliament in the same way as performance audits of departments are paid for. One of the reasons a provision of that type was not included in this bill is that it is more complex to introduce such a measure for non-budget authorities than for departments because of the transfer of funds from budget to non-budget sectors. Also a substantial reorganisation of public authorities is currently under way and there is a move for the privatisation of some and the corporatisation of others. The issue has not been dismissed by the government; it is simply a reform that needs further consideration to determine whether it is advantageous.

The final complaint raised by the honourable member for Sunshine concerned the penalty provision, which is that five penalty units be incurred for not cooperating with the Auditor-General for the purpose of being examined under the act. A reading of the earlier legislation by the honourable member for Sunshine could be in order, and I refer him to proposed section 14(c) in the Audit (Amendment) Bill of 1991, which contains amendments to the same effect as those in the bill before the house. It also proposed to delete the reference to dealing with a person who fails to cooperate as being in contempt of the Supreme Court and substitute a penalty of five penalty units.

The honourable member for Sunshine can hardly accuse the government of poor motives in introducing such a provision because it was a carryover of the provision contained in the 1991 legislation. My understanding is that it was included in that legislation for mainly technical reasons and possibly because it was regarded as anachronistic rather than as an attempt by the former government or indeed by the present government to diminish the status of the office of the Auditor-General.

In conclusion, there is no ground whatsoever for the opposition to accuse the government of attempting to diminish the standing of the Auditor-General. The bill improves the standing and authority of the Auditor-General and his ability to do his job in several significant respects compared with the reforms proposed by the former government. Opportunities remain for the consideration of proposals for future reform that deserve consideration. I am sure those reforms will receive consideration. In the meantime, for the reasons I expressed earlier — namely, the need to get financial reforms in place as quickly as possible and to start gaining from those reforms — I urge the house to support the bill.

Mr SHEEHAN (Northcote) — Listening to the honourable members for Box Hill and Glen Waverley has been illuminating. They have shown their apparent ignorance of the issue at the heart of the bill: the independence of the Auditor-General.
Honourable members can imagine the outcry from the present government if the Labor administration had attempted to nobble the Auditor-General in this way, bringing him firmly under the control of the executive and defining a term of office in a way that links it with the power of the executive. Imagine the shock, horror and outrage that would have been expressed by the honourable members for Box Hill and Glen Waverley — indeed, by all members of the coalition.

Not only would a Labor administration not have contemplated such a move, it would not have been accepted by the community at large. The honourable members I have mentioned and the Treasurer said the bill was being prepared by the former government. Such comment misses the point. The former Labor government was not interfering with the central issue: that the Auditor-General must respond to the Parliament.

The government’s actions fulfil a prophecy made by a hardened, long-term observer of politics prior to the last election. He said, ‘Don’t worry, you blokes will get a flogging but this mob will be so corrupt they will not see out two terms or even one term. Their own corruption will bring them down’. For the second week in a row a motion or bill has been brought before the house enabling the corruption of the political processes of the state. Previous speakers have alluded to a range of issues, including attacks on the Director of Public Prosecutions, the dismissal of the Commissioner for Equal Opportunity, the sacking of judges and the issuing of highly dubious public contracts, ranging from advertising contracts through to multimillion-dollar casino deals.

Mr Baker interjected.

Mr SHEEHAN — It is all in the loop. That is how Melbourne operates now. The Premier has been exonerated retrospectively from actions that clearly breach the constitution. Now the government has gone after the Auditor-General, the source of independent advice and commentary to the Parliament. Why has the government done that? It is so that it will no longer be accountable. The government is reversing a decade-long, nationwide movement towards ensuring independence in the role of Auditors-General. This goes back to the recurring issue of the ethical basis of the government. It has no ethical basis; there is no line it will not cross!

Of the public offices the government has attacked, dismantled or eroded, it will be found in time that the most significant attack was on the office of Auditor-General. This move is not in the interests of Victorians. Strangely enough, it is not even in the short-term political interests of the government. It is true that it is cheap, smart, short-term politics. The Treasurer and Premier of the day will know they have the Auditor-General in their pocket and will get the result they want — and don’t tell me they won’t tamper, because it is on record that they will!

In the long run the capacity to interfere with the integrity of the Auditor-General will allow the very corruption that will bring down the government. The government will look back with great regret on the issue that goes to the heart of the bill: the independence of the Auditor-General. Eventually that will come out. It might not come out as quickly as it would with an active, independent Auditor-General, but it will come out; and when it comes out the situation will be much worse. Not only is this change not in the public interest, it is not in the long-term political interests of the government.

As other opposition speakers have said, the bill is the exact reverse of changes made in every other state and in the commonwealth. It also reverses 10 years of progress in Victoria. The Nicholls report, *State Finance Victoria*, details at page 389 the changes that took place in reporting and accounting in Victoria over those 10 years. It is interesting to contrast the former Labor government’s attempt to improve accounting and reporting with this government’s program of cover-up and reduction of the role of the Auditor-General. Nicholls states:

> The Auditor-General has a key role to play in whole of government and agency reporting.

Nicholls comments on reforms introduced by the former government cover three or four pages and include:

- the introduction ... of the Annual Reporting Act to provide financial reporting guidelines for agencies, public authorities and other public bodies;
- use of rate of return and other performance reporting guidelines for public authorities;
- introduction of the program budgeting format ... 
- introduction from 1982-83 of an overview budget paper now called Budget Strategy and Review ...
- inclusion from 1986-87 of summary subprogram information for the coming year ...
Victoria being the first state to adopt the GFS presentation producing special budget papers ... including technical background on coverage and definition of terms ...

increased coverage of the rate of return guidelines;

revision of the Audit Act to provide for the Auditor-General to undertake efficiency and effectiveness reviews ...

presentation of a balance sheet in June 1991 ...

release of an accounting policy statement no. 4, Recording and Reporting of Non-Current Assets ...

The Nicholls report goes on to examine the substantial progress made in reporting and accounting in Victoria over 10 years of Labor administration. There has been a rapid erosion of that progress, with a blatant attack upon the effectiveness of the Auditor-General in protecting the interests of all Victorians. It is extraordinary that the bill has passed by with so little public comment. The Report of the Victorian Commission of Audit, which dealt with the role of the Auditor-General, has received much coverage and the support of this government. It states:

The traditional role of the Auditor-General has been to provide the Parliament, and the community in general, with an independent audit opinion on the financial reports of public sector entities and of the government. The role adds credibility to the representations of those reporting through an independent view and professional competence.

That is the government's own report; it is a report that the government bases its political credibility on. What does it refer to? The key words are: the independent audit opinion reporting directly to Parliament. What are the recommendations? Recommendation 6.20, which is headed 'External auditor', states:

The Auditor-General should be responsible, on behalf of the Parliament —

I note the words, Mr Acting Speaker, 'on behalf of the Parliament' —

for the financial and performance audits of all public sector entities. The Auditor-General should be accountable for resource usage to a committee of the Parliament headed by the Speaker.

Recommendation 6.21, headed 'Funding of the Auditor-General's Office', states:

The Auditor-General's Office should be funded through a special appropriation under the control of a parliamentary committee chaired by the Speaker. Auditees should be charged for financial audits, but the Parliament should fund all performance audits.

Recommendation 6.22, headed 'Audit scope', states:

The external audit, on behalf of the Parliament, of whole-of-government and all public sector agencies GPFRs, including state-owned enterprises, and companies and joint ventures in which the government has a controlling interest, should be the responsibility of the Auditor-General.

The government's own report of the Victorian Commission of Audit has a recurring theme: the independence of the Auditor-General, the need for the Auditor-General to respond directly to the Parliament. Quite clearly that is important because that is the only way we can protect the integrity of the Auditor-General's position.

The move that the government has initiated in the Audit Bill is a corruption of the Auditor-General's position. The bill makes the Auditor-General a respondent on the executive of the day, and one knows full well the record of the government in its pursuit of individuals who oppose it.

It does not matter whether those individuals are members of the press, low-level public servants or the holders of high offices such as judges of the state, the Director of Public Prosecutions or the Commissioner for Equal Opportunity. This government will not tolerate criticism; it cannot cope with independent observations and comments on its actions, and it has consistently demonstrated that in its actions over the past 18 months. Now it is going for the big one: it is going to knock off the Auditor-General — —

Honourable members interjecting.

Mr SHEEHAN — One of the saddest aspects of the bill is that some government members who are people of integrity have stood by and allowed this sort of thing to happen, and that is when a government really starts to go! It is obvious that the central players of the government are driving the state in the direction they want with a complete disregard for any ethical consideration or restraint. That is what happens when the decent people roll
over and say that there is no issue when of course there is an issue — and those two honourable members opposite know very well how they would have responded if the Labor administration had introduced such a provision. All honourable members know very well in their hearts how they would have spoken with members in their branches and how they would have behaved with the media in this state, and that is the ultimate weakness of the government because some of its members who do have integrity are turning a blind eye, pretending it has not happened, trying to rationalise the changes to something they can live with.

If Victoria had a government that had some sense of decency at its core we would accept that the Auditor-General could respond to the executive, but the record of the government is so appalling in its treatment of individuals and of the opposition — and we all know and have heard the stories, which are easily verified, of the government’s pursuit of members of the press gallery, low-level public servants and holders of high office — that it will not brook any questioning of its actions or policies, and as soon as there is a questioning, down comes the axe! That reflects the very heart of the ethical basis of the government.

When the government introduced these measures, no line was crossed. The opposition could not say, ‘The government has a framework of reference; it would never interfere with the Auditor-General. It is just a matter of convenience that it is going to have him or her reporting to and responding to the executive’.

The record of the government is so clear on these issues that we know what will happen, and we know that there will be a direct interference. All honourable members know that there was a direct interference with the report of the Victorian Commission of Audit — that was documented — but the facts are that every officer who has in any way given advice contrary to the wishes of the government has had his or her position terminated or, as in this case, future officer opportunities terminated.

To recapitulate I point out that it should be of enormous concern to the Parliament that despite the slow and painful improvements in the processes in Victoria — up until today the state led the way ahead of New South Wales and the commonwealth in its creation of an independent role for Auditors-General — the government is going against a nationwide trend. Victoria is saying, ‘No, that might be a bit hot for us; we might get an Auditor-General who will give us a hard time, so we will pull back on it’, and this is against the move in trends within the commonwealth.

One could imagine how the federal Liberal Party would have behaved if the Labor government in Canberra were to move in this retrograde way. In fact the Australian Capital Territory and every other state in Australia are moving in the opposite direction. It is only an arrogant, insensitive and inherently corrupt government that will respond in this way, and the bill is a continuing corruption of the public processes of the state which will facilitate and enable endemic corruption to continue.

The introduction of the Audit Bill on this day is one of Parliament’s bleakest moments of the past 18 months and one which all Victorians, particularly members of the government, will live to regret.

Mr MILDENHALL (Footscray) — The sensitivity of the — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Cooper) — Order! Can the honourable member for Footscray get his words out without interruption?

Mr MILDENHALL — The sensitivity of the Audit Bill, which contains a reasonably small number of provisions compared with other similar legislation that we are to deal with in this session, as pointed out by members of the opposition, derives from the fact that the role of the Auditor-General in the Victorian community and indeed within our form of government is of extreme importance.

The community and particularly media commentators and other observers of public life view the Auditor-General as a person in a unique, third-party type position to assess with a disinterested or impartial view — some may call it an objective view — the innermost workings of government. Much detailed information is produced, and the views of the Auditor-General are influenced by how the machinery of government works from the inside. Because the data produced by the Auditor-General is detailed and specific, it is much sought after, particularly by opposition parties.

Many opposition speakers have correctly suggested that the sensitivities to the issue of independence vary according to whether the parliamentarian concerned is in opposition or in government.
However, it is interesting that when members gather together in bodies such as parliamentary committees and discuss the future role of the Auditor-General, a consensus view is that the independence or impartial role of the Auditor-General is of the utmost importance.

Having had the opportunity to consider the recommendations of the Public Accounts and Estimates Committee since the bill was introduced, it is disappointing that the government has not taken the opportunity to park the bill, as the honourable member for Box Hill described it — that is, to have another look — because members of that committee have protested about their commitment to and interest in the principles outlined in the committee's report. Despite support for those recommendations — including support from the honourable member for Box Hill — the government intends to persist with the passage of this legislation even in the context of the sensitivity of the position as described in the sensible all-party committee recommendations which have been tabled in this house.

Today honourable members have referred to a number of commitments and public statements made in support of the independence of the Auditor-General. The honourable member for Sunshine referred to public statements made by the Treasurer when he was in opposition, as reported in the discussion paper of the Australian Society of Certified Practising Accountants. Similar statements have been made by the Minister for Public Transport when he was the Leader of the Opposition. In addition, the honourable member for Northcote quoted a recommendation made by the Victorian Commission of Audit.

Later I will refer to the recommendations contained in the CPA document and particularly to a valid statement made in the report but not yet referred to during this debate relating to the critical issue of the reporting mandate and the scope of audit. The report refers to independence and responsibility. In light of that and in the context of the support senior office bearers of the government have in their present appointments, are there grounds for concern that the government is attempting to nobble the Auditor-General?

My argument rests principally on what has not yet occurred but which must be classified as a bungled, crude and brutal attempt by the government to subjugate a so-called independent officer. Other attempts by this government to subjugate and reduce to a compliant state other independent commentators in the government system pale into insignificance when compared with this.

The episode about the role of the Auditor-General commenced with a letter dated 8 January 1993 from the Secretary to the Department of the Premier and Cabinet, Mr Baxter, to the Auditor-General, Mr Baragwanath. The letter suggests that the provision of individual employment contracts was being actively pursued by the Premier. The letter, as quoted in the Age, states:

The Premier has agreed to a draft standard contract of employment which will be applicable to executive officers. The Premier intends to meet with you ... to discuss the possibility of ... a contract of employment.

The letter lists other matters that the Premier wished to discuss, including performance criteria and a possible remuneration package.

The seven-year tenure provision in the bill, to which members of the opposition have taken offence because it becomes a prerogative of the executive, pales into insignificance when one considers the fact that the government intended to use the Public Sector Management Act to place the Auditor-General on a 28-day contract. That would allow the government to give the Auditor-General 28 days notice of his or her dismissal. What sort of tenure does that leave the officer concerned?

On 28 April last year the Premier said that he was unaware of any correspondence, but the secretary to the department wrote to the Auditor-General saying that the Premier would meet with him to discuss certain matters. Then the Premier met with the Auditor-General. It appears that the Premier's memory has become clouded but the Auditor-General did not forget; he remembered that the meeting had been held.

Then the Auditor-General had cause to write to the Premier. The first sentence of his letter, as quoted in the Age, states:

Dear Mr Kennett, as agreed at our meeting on 21 April last, I am writing to provide you with a paper (attached) setting out the reasons why I believe that it would be completely inappropriate for an Auditor-General of this state to enter into any form of employment contract with the executive government of the day.
The opposition asked the Premier whether a meeting had taken place or whether any correspondence existed. The Premier replied that he could not recall any meeting or any correspondence. The Premier later conceded that it had occurred, so obviously the meeting took place.

That flies in the face of what I call the opposition-and-public-office syndrome, when an honourable member in opposition defends the Auditor-General. On 2 May 1989 Mr Kennett, then in opposition, said the Auditor-General held an office of independence and was accountable to no-one but Parliament. However, early in 1993 a couple of crude and disgraceful attempts at subjugation of the office were made by the Premier's chief hired gun, the Secretary to the Department of the Premier and Cabinet.

The opposition is concerned about the ability of the Governor in Council to appoint a successor to the present Auditor-General and to control the budget of that office, which is part of the consolidated revenue. It is concerned that the most important aspects of the office of Auditor-General — its resources and the right to report — will be under the control of the executive. However, that pales into insignificance when compared with the brutal attempts by the government to subjugate the office. As befits the history of this Parliament, this awful episode has been bungled.

In April last year the Premier reiterated that he was not aware of any correspondence between the secretary of his department and the Auditor-General. As a former public servant I must admit that the Premier’s statement and the director-general’s actions are of grave concern to me. I am worried that a director-general of a department could write to a person holding the sensitive position of Auditor-General to inform him or her that the Premier intended to discuss the prospect of an extremely short-term contract and the remuneration and performance criteria of the position and that the Premier could effectively deny it.

I do not know how other departments are run, but I can assure you that if the minister responsible and the director-general of any of the public sector agencies I have worked in were in such fundamental disagreement over that minister’s intention, a short time later someone would have been out of a job. It raises the age-old issue of whether the tail is wagging the dog or vice versa. The government backed away from the Premier’s attempt.

The opposition supports the independence of officers like the Auditor-General and the Ombudsman. The Ombudsman has recently retired and a new appointment will be made. How will that appointment be conducted? Of course there will be public protestations of independence.

The series of government actions that brought it into disrepute continued. At a meeting with the Premier, the Ombudsman, Mr Norman Geschke, refused the offer of a contract. The government attempted to nobble not only the Auditor-General but also the Ombudsman. The government’s actions and its attitude to independence are sad aspects of the 52nd Parliament and cause members of the public, departments such as the Auditor-General’s and groups like the Australian Society of Certified Practising Accountants to remind senior government members of what they have committed themselves to in the past. The 1993 annual report of the Auditor-General contains a quote from the present Treasurer commending the audit office. Each and every time independent groups have the opportunity, they carefully rebuke the government by reminding it of its protestations. However, it is the opposition’s role to compare the government’s protestations with its actions, which have been disgraceful.

One of the key provisions contained in the bill deals with the term of appointment of the Auditor-General. As indicated by previous opposition speakers, the seven-year term waters down the present strength of the independence of the office. Who will appoint the Auditor-General? Will he become an officer responsible to the Parliament, as suggested by a parliamentary committee and the present government when in opposition and as adopted by the present federal government via the Harradine amendment? No; the officer will be a creature of the executive.

The Auditor-General’s budget remains under the control of the executive. That is the second reason why the opposition says there is something snifty in the State of Denmark!

The government attempted to replace the Auditor-General’s seven-year contract with a 28-day contract but that attempt was bungled. Its next effort was death by a thousand budget cuts! The Auditor-General suggested that the coalition was attempting to muzzle him by reducing his budget. Last September an outcry was heard about a 10 per cent cut to the Auditor-General’s budget.
The opposition supports the Auditor-General! Long live the Auditor-General's ability to go into government departments to dig out information without fear or favour. The Treasurer said that the frequency of the special reports produced by the Auditor-General had increased; however the frequency of those extremely valuable special reports will now be reduced because the capacity of the Auditor-General to undertake the audits will be affected by the budget cuts.

The government is snuffing out dissent. It is taking its baseball bat to anybody who sticks up his or her head to say that something is wrong. It shows a tendency towards megalomania in some of the hired guns of the government. When anyone dares to criticise the Department of Health and Community Services, out of the bunker comes the secretary of the department, Dr John Paterson, to abuse the press, his critics, non-government agencies and the clergy by calling them lazy and reliant on emotions rather than facts. In March last year when speaking at a lunch for the Institute of Chartered Accountants, Mr Baxter, the Secretary of the Department of the Premier and Cabinet, fired a warning shot across the bows of the Auditor-General. He suggested that large bureaucratic organisations that were outside the government's control were of concern. An article in the Age by Leon Gettler of 10 September 1993 stated:

(Mr Baxter) aims to put in place a strategic management cycle covering all departments, directing everything from how they count their money to the way they organise their work forces ... the Office of Public Sector Management ... (and the) all-encompassing network of these special operations to bring all public sector agencies under their control.

All these areas are fair game for the Auditor-General and that is why Mr Baxter favours a system of internal performance reviews that would be carried out by the Office of Public Sector Management within his department. A battle is occurring between officers who want to run this area of government. I am pleased the bill provides that an officer such as the Auditor-General, despite the restrictions provided for in the bill, will be able to undertake those actions rather than Mr Baxter and his officers in the Office of Public Sector Management within the Department of the Premier and Cabinet. The opposition is concerned about two critical dimensions: control over the budget and appointments.

The bill should be withdrawn and redrafted according to the recommendations that have been made and in line with protests that have been made outside Parliament and government. We must be vigilant by resisting the crude and also subtle attempts to nobble such positions and bring into disrepute the independence of the auditing of government.

Debate adjourned on motion of Mr PLOWMAN (Minister for Energy and Minerals).

Debate adjourned until later this day.

Sitting suspended 6.27 p.m. until 8.04 p.m.

ALBURY-WODONGA AGREEMENT
(AMENDMENT) BILL

Second reading

Debate resumed from 10 March; motion of Mr GUDE (Minister for Industry and Employment)

Mr COLE (Melbourne) — The opposition supports the bill. The opposition does not always carp and whinge; we do look at the positive things. This positive bill is a facilitating measure that introduces a substantial change in the reporting requirements for the Albury-Wodonga Development Corporation. Although the corporation must still report to Victoria, it will not be required to report according to Victoria's reporting requirements.

The bill does not alter the momentous and important Albury-Wodonga agreement. It introduces a commonsense approach and illustrates that states have the ability to work together in mutual cooperation for the benefit and development of particular regions. One reason the opposition supports the bill is that it highlights the capacity of states to come together to achieve uniform agreements.

The opposition has pointed out on many occasions that it supports, as does the government, the idea of uniform cooperation between the states. The Albury-Wodonga agreement is one important and practical example of that attitude. I shall allude to that briefly in the time allotted to me.

Firstly, as the member for Melbourne and as one whose tram line ends in Elizabeth Street, I am not a great traveller to the bush and live well and truly in the inner city areas of a major centre. That is not to...
say that I do not have considerable concerns or do not care about Albury-Wodonga. It is a shame that the honourable member for Benambra is not present. To enhance my education he has strongly requested that on Sunday I go to Werribee Park to watch the sheep dog trials. I intend to go and to take my children as an example of how the country can meet the city. My parents, brother-in-law and many other people have also decided to come along. People who live in the city clearly have a great interest in country matters. Werribee Park is a great spot and I am looking forward to going there on Sunday.

The Albury-Wodonga agreement must also be examined in context. During the time of the Whitlam government, following a strong and forceful push for regional development, the Albury-Wodonga Agreement Act 1973 put into effect what at the time was considered a whirlwind proposal. I shall attempt to point out some of the great benefits of the agreement and the great success of the Albury-Wodonga project. I will also look at other great projects in Australia's history. We all have something to learn about how some other projects have not been as successful as has Albury-Wodonga.

The concept of a regional centre was created because of a belief that with the majority of the population based in small areas around Melbourne and Sydney too many people were living in city areas. It became a pertinent issue during the 1970s primarily because of the many infrastructure problems caused by the fast pace of development of big cities following World War II. In a sense, the chickens came home to roost in that period.

It was believed one solution to the problem was to move large populations out of the two major centres. That had happened before; it was not exclusive to the 1970s. I will refer to those matters later. I am sure the Deputy Premier will understand what I am talking about.

Mr McNamara interjected.

Mr COLE — It was before that and also during last century. It was not a comment on the Deputy Premier's age; I thought he may have read a few books on the subject.

The commonwealth and state program for new initiatives and centres was established, and it was believed at that time that it would not have a significant impact until the turn of the century, which was when the population shift would be the greatest. It was intended that there be 10 townships of around 700 000 to 800 000 people all around the country. The only such centre that was successful and still exists is Albury-Wodonga. It has nowhere near the intended population but there is no doubt that for a whole variety of reasons it has been a success.

Attitudes also changed because the population estimation was totally wrong. It was expected that there would be some 25 million people in this country by the year 2000; of course the current figure is much lower, which means that the expected continual growth and rapid expansion has not occurred.

I reiterate that the only truly successful project was in the commonwealth-state growth centre of Albury-Wodonga. The only other authority we can look to, which no longer exists, is the Geelong regional authority. Geelong had a regional authority and regional development. It now has a regional council. I do not agree with the process, but I congratulate the government on its efforts. It is a great shame that when in opposition it did not support the Labor government's attempts to amalgamate and develop that area. The fact is that it has happened in Geelong and by and large it has been a great achievement.

When asked about the work in Geelong of a former local government minister, Frank Wilkes, one would have to say that it was considerably better than that of the current Melbourne council incumbent, Kevan Gosper, who since his appointment has been out of the country more than he has been in it, but that was expected.

The important point is that the regional development process of amalgamating councils is very important to the state. I suggest that it will be one of the big issues for Albury-Wodonga in the near future. I will not go into that at length because it is for others on the government side of the house, who are not here now, to cover. It is nothing new in our history of regional development, as I pointed out to the Deputy Premier earlier. The immigration programs of the last century, in theory, were always related to inland and inner-central land development, particularly in South Australia, Victoria and New South Wales.

After World War I and World War II we had soldier settlement, which was limited in its effect — one could probably say it did not work as well as it could have. The theory was to locate people coming back from the wars on the land as a means of
providing them with employment. The intention was good, but the outcome in some cases was sad. I thought the Premier and the Deputy Premier would understand about the old days of selection, the days of Steele Rudd and Dad and Dave On Our Selection — which is not all that dissimilar from the cabinet. I had not intended to suggest that the Premier and Deputy Premier were Dad and Dave exactly, but there are some moderate similarities at times, although the Premier is a little less controlled than Dad or Dave were. The other great story of trying to establish a selection is A Fortunate Life by Albert Facey, who went through that exercise.

We have to look at regional development in the historical perspective. In this debate on the Albury-Wodonga Agreement (Amendment) Bill we have the opportunity to say that none of those developments was really successful and therefore there are many lessons to be learnt. By and large such development will not take place if it is forced and insisted upon as it was in the cases I have mentioned. That is not to say it was not an important part of history; there is a lot to be learnt from the travail of those who suffered so much when they became soldier settlers and from the exposures made by Steele Rudd when he described the hard work people found themselves facing because they had been pushed or encouraged to be on a selection.

The basic point about the establishment of Albury-Wodonga and the general proposition of regional development is that we did not adopt proper planning methods in Australia. Although projects like Albury-Wodonga are important, market forces and the natural processes within the economy have a greater effect than any government or organisation. Our biggest problem in Australia was and continues to be lack of planning. The cities cannot accommodate larger numbers and we are suffering problems with corridors of extreme growth.

The proposition that we have to encourage industry to Albury-Wodonga is no solution to those problems. We ought to take into account overseas experience on these matters. There is an example in England where such things have worked — Milton Keynes. That has worked because the United Kingdom has such a preponderance of population in a relatively small area — 55 million in an area the size of Victoria. It is beyond dispute that the success of such centres is dependent on planning.

Because of the density of population England, Germany and other countries have been able to introduce much better planning controls and create much better housing. Unfortunately the horse has bolted; it would be hard for Australia to reverse the trend and change the situation. However, whereas we once looked to other methods — including centres like Albury-Wodonga — of shifting population as a focus of industry, we now have to look inwards and plan cities better, including greater Melbourne, not just the inner city. I point out that although such development is driven by market forces there has been a substantial increase in residential accommodation in the inner city, and that is very good, but it is not the result of wonderful planning processes, it is more the result of market forces.

Before I discuss other parts of the bill I shall address some of the great and wonderful things that came back to me in my analysis of and reading about Albury-Wodonga. For example, Bob Santamaria sought proposals on the idea of rural development where a community living in a rural area was also involved in industrial development. The combination of the two is a much better basis on which to build a community. There can be no dispute with that. The difficulty is that you cannot just locate an industry in a particular area. I look to the honourable member for Morwell, who can talk later about the problems of regional development, or the lack of it.

The matters I have referred to are not necessarily government driven. It is interesting to note that the philosophy of the Albury-Wodonga agreement and the corporation is not so much to actively intervene as to provide opportunities and to work with organisations to provide particular advantages and seek to encourage opportunities and investment in the area. That approach is far more likely to be successful and result in people being happy living in the region. I am pleased that that is what the corporation is trying to do.

It is important to consider some of those issues. The government should recognise that the Albury-Wodonga Development Corporation believes it is important to provide social infrastructure to attract people as well as business to the region. Unless that social infrastructure is present neither businesses nor people will be attracted to the area. The opposition's view is that it is part of the social wage. A community has a responsibility to provide certain services to its residents. The reason for that in a developing area such as Albury-Wodonga is obvious: local authorities must provide housing, roads and other
facilities that will encourage people to live and work there and help develop the area.

It is interesting to consider the things that happen in various regions of the state. I have never had the advantage of living in a community that is so dependent on local industry as is Albury-Wodonga. I live in an industrial area but have little to do with industry as a resident. As an MP it is a different story. Industry complexes are enormous and do not operate as part of the local community on a regular basis. People in Kensington and Flemington no longer head off to work in the factory across the road. For workers who live in Albury-Wodonga there is a totally different culture, and that is the one that they have tried to develop.

The Japanese company Sanyo has said that productivity at the factory in Albury-Wodonga is 10 per cent better than is the case in any Japanese factory. That is a tremendous achievement for Sanyo and the local community. This type of proposal goes a long way towards achieving such wonderful results. Uncle Ben's of Australia has also made a significant input into the local community. It is owned by the Mars company, a multinational company.

Mr McNamara — Privately owned!

Mr COLE — It is privately owned by the Mars family. That American company chooses to invest in Albury-Wodonga and it is so big that it has also invested in Ballarat.

Mr McNamara — Confectionery.

Mr COLE — I thought they were looking specifically at ice-cream because it is so cold there. They choose to go to areas like Albury-Wodonga where they can be part of the local community.

The population of Albury-Wodonga has increased by 27,000 people since 1971. I do not know whether that is due to the corporation but it is a significant achievement. Some of the structural problems will have to be addressed by the local councils. Although it is not for me to say, one would have to argue that if they have something as good as the corporation perhaps it could be incorporated into the councils and operate across two borders. But perhaps that is too advanced for anybody to think about. Nonetheless they are issues for this side of the border to consider in examining council control. There are many lessons to be learnt by the government.

Firstly, issues like changes to infrastructure, kindergartens and schools hit again at the question of social wages. If you want development corporations to attract people to regional centres you cannot discourage people by increasing kindergarten fees and closing down schools. Those disasters are generic to the state. It does not matter whether you are in Wodonga or Flemington, the issues are the same.

The other issue I raise is petrol pricing. The government should be encouraging petrol companies to agree to equality of petrol pricing for all people. It is hard to imagine how an area like Albury-Wodonga can develop because it relies so much on motor vehicles, and the price of petrol has become even more of an issue today with local bus lines and railway lines having been closed. We should address the issue. Petrol companies are a bit mean. They should have a policy to ensure equality of petrol pricing. They are not short of a quid. I admit that petrol is taxed highly but it does not hit the companies. There should be some way of addressing this terrible problem.

In conclusion, Albury-Wodonga is a wonderful achievement. It represents a great effort by people like Gough Whitlam to obtain regional development that overcomes many of the planning problems that occur in the big cities. It has been significant for a number of reasons. It achieved successful cooperation between the states, which is a major achievement. We are increasingly seeing such cooperation between states and Albury-Wodonga is another very good example of that.

The reporting provision is a sensible approach to a very straightforward problem. We will not be denied at least a knowledge of what is in a report. It is just that the report will not have to be written according to Victorian government guidelines. Agreement on this issue has been reached with New South Wales.

Ms MARPLE (Altona) — I am pleased to support the bill and contribute to the debate on Albury-Wodonga. As the honourable member for Melbourne has said, many of us on this side of the house not only are interested in rural Victoria but have very strong connections there as well. Those who do not are keen to discover more about the issues facing people living in areas such as Albury-Wodonga.

I have a personal interest in the bill because I lived and worked in both Albury and Wodonga. In the
early days of our marriage my husband and I took up residence in the area. At different times we rented accommodation. Many people have had the pleasure of watching the changes that have occurred in Albury-Wodonga. As pointed out by the honourable member for Melbourne, the great changes that came about after 1973, particularly for Wodonga, happened as a result of years of cooperation between the two cities. That is not always possible but in this case it came about because of the agreement between the two states and the foresight of the Prime Minister at the time, Gough Whitlam, and the members of his government, who were very strongly committed to that regional development. I well remember the excitement that went through the community at the changes and the challenges that that concept brought with it at that time.

When I lived in Wodonga it was my privilege to teach many young children from non-English-speaking backgrounds. At that time Wodonga attracted many migrants and as the town grew those families made wonderful contributions to the area. But as the children of those families grew they set off for the city to seek education and work opportunities. In the early days of its establishment education facilities in Albury-Wodonga were limited and governments of all colours attempted to develop education programs to cater for the children. However, the next difficulty the children faced was finding work in the area in which they grew up. They often had to move to bigger country towns or a capital city to find work.

The Albury-Wodonga concept has enabled families to remain in the area in which they have lived for many years so that they can give their energies back to the city and see it grow. As the honourable member for Melbourne pointed out, the establishment of Albury-Wodonga is a success story. Unfortunately, its population has not reached the levels that were dreamt of in its early days, but that is because it was expected that Australia would now have a larger population than it has. Considering the problems that had to be overcome and the parochial views in each city and country town, Albury-Wodonga is a success story.

Mr Baker — It was only the Labor Party that would do it, of course.

Ms MARPLE — That is true. Not only has Albury-Wodonga grown but its sister city, Beechworth, has grown and become a satellite of the larger city. In the 1950s it was considered that Beechworth had seen its glory days, but it has been able to develop and become a tourist mecca and a place worth living in.

Many city people would like to live in the country and enjoy a rural lifestyle. My constituents often ask me what it was like to live in the country and why I came to live in the city. I am sure they support growth in regional areas and would also like the opportunity to live in a regional city.

As the honourable member for Sunshine pointed out by interjection, the Labor Party, of which I am proud to be a part, has shared that vision over the years and has encouraged people to move to areas such as Albury-Wodonga because of the support systems there. Unfortunately, the present government does not share that commitment. To the amazement of many country people who voted for the National Party, the coalition government does nothing to create the support systems to which they believed the National Party was committed. In the short time this government has been in power those people have seen a grey cloud move over rural Victoria. They wonder where the axe will fall next. They have seen funding for infrastructure cut and school doors closed. They have seen teachers moving out of country areas and hospitals being threatened by closure. They realise that as each facility closes another dozen people will leave the area and that in the future their young people will be unable to find work.

The SPEAKER — Order! I remind the honourable member for Altona that the bill consists of one operative clause. Although I allowed the lead speaker of the opposition some latitude to outline his support for the bill, that does not mean that the honourable member for Altona can debate a multitude of issues to do with rural Victoria. I ask the honourable member to relate her remarks to the bill.

Ms MARPLE — The bill is asking the house to agree with the reporting provisions of the Albury-Wodonga agreement. The opposition supports those provisions because, as the honourable member for Melbourne said, it will enable those of us who now reside in the city to keep up to date with what is happening in the country. I was referring to what is happening in country areas under this government, and I am sure Albury-Wodonga is not immune from that. When Albury-Wodonga was established a commitment was given to maintain the social structure. I remember the committees that worked to ensure
that people who moved into the area knew what support structures were available. It is important for people to have those support structures when they first move to a country town.

When debating a bill about a specific country area one cannot fail to mention the cuts that have been made and the worries that will result from them. There is a fear that Albury-Wodonga will return to what it was before, especially when schools are being closed. Will they go back to the days when there was only one preschool? There is every indication that that is a great possibility. Will the cost of electricity increase when the State Electricity Commission is sold off? Will petrol prices rise?

The SPEAKER — Order! I caution the honourable member for Altona that I cannot allow her to continue on the tack she is now taking. Clause 4 is the one significant clause of the bill, and it deals with the reporting provisions of the Albury-Wodonga agreement. I ask her to come back to that narrow debate.

Ms MARPLE — I look forward to those reports, especially those concerned with tourism and racing. I remember attending many race meetings in Albury-Wodonga, with some success, and I wonder whether that activity will continue. I know the people of Albury-Wodonga will work hard to ensure the effective development of their city because they have a great pride in it. They hope the work of the Albury-Wodonga Development Corporation will be supported by federal, state and local governments and that the bill will assist development. I hope that will be the case, but I have some misgivings, which I know the people of Albury-Wodonga share.

Mr HAMILTON (Morwell) — The bill repeals certain sections of the Albury-Wodonga Agreement Act and institutes new reporting provisions for the corporations that form part of the Albury-Wodonga agreement. But there is a lack of encouragement for the three players represented by the Albury-Wodonga Development Corporation — namely, the federal government and the state governments of New South Wales and Victoria.

Proposed new section 24 requires the Albury-Wodonga Development Corporation to report to a single authority, which I assume will be the federal government. I also assume the federal Auditor-General will be the responsible person who will receive the report, audit the accounts and present the report to the respective governments. If that is the case, the report tabled in this Parliament on the involvement of the Victorian government in the operation of the corporation will be the report of the federal Auditor-General.

Proposed new section 24 states in part:

(b) if no such joint report is to be prepared, a report of the operations of the corporation in that year.

It would have been better if the provision contained a directive specifying that a joint report be prepared. Unless that occurs it will be almost impossible to obtain an overall view of the activities of the Albury-Wodonga group.

I am pleased that the bill stipulates that the minister must table the report in each house of Parliament. Having had some experience of regional organisations, none of which has had the benefit of the largess enjoyed by the Albury-Wodonga Development Corporation, I have noted that they are often tardy in presenting their reports to Parliament.

It is important to note the significant differences between the Albury-Wodonga corporation and other regional groups established by government, principally the Geelong and Latrobe regional commissions. The Albury-Wodonga Development Corporation was developed as a tripartite entity that attracted millions of dollars of federal and state money. As the two cities developed their own identities and momentum government funds were gradually withdrawn. I understand the Victorian contribution is relatively small, as is the contribution made by the New South Wales government. The federal government has also significantly reduced its support.

However, Albury-Wodonga enjoyed significant support, which was the basis for its acquisition of land and the time spent producing plans for residential and industrial development. The Borg Warner manufacturing group is one of the many significant success stories to have emerged from the joint development of the city. That company is producing automatic gearboxes that are the best in Australia, if not the world. Unfortunately, like other sectors of the automotive industry, whenever a downturn in world industry occurs, the output from the factory is affected.

The corporation has done magnificent work on environment protection and the monitoring of the River Murray. Its work has proved extremely effective and is well regarded scientifically. It is silly
to maintain an artificial border between two states when cities such as Albury and Wodonga are working side by side. I note the support of some Premiers for uniform daylight saving, which would resolve many problems for border towns. I was visiting border towns when different time zones applied in Victoria and New South Wales, which created significant problems. The Albury-Wodonga example could be repeated with other twin towns bordering the River Murray. There is an obvious need for uniformity in state laws. As an aside, I believe the current border between the two states is silly, given that many regions in New South Wales play Australian Rules!

The example that the Albury-Wodonga Development Corporation has set for regional development throughout Australia would not have been possible without a massive input of government funds. One of the problems in the development of the Geelong Regional Commission and the Latrobe Regional Commission was the lack of government funding to assist in the establishment of private industry in the region.

When the Albury-Wodonga corporation came into being in 1973 both Victoria and New South Wales had Liberal governments while the commonwealth was governed by a Labor administration. The state government should concentrate on encouraging regional development throughout Victoria so that country people can enjoy the lifestyles that brings while still having the benefits of successful local economies.

I expect that in future years the Parliament will read these reports with interest and the government of the day will note what is happening. It will note the successes and the failures that have occurred in Albury-Wodonga. Despite having started well, massive failures have occurred in industries when the bottoms fell out of them. Failures have also been evident in the planning process. We should be able to learn from the reports. I hope the federal and state Auditors-General can reach agreement on the content of and comments in the report. Auditors-General make important comments on the operations of the corporations they audit. Sometimes the results are disastrous and it is important that the reports are taken seriously.

Mr McNamara interjected.

Mr HAMILTON — Your turn will come, Minister. Auditors-General do not play favourites - you can be well assured of that. You will find out about that in the future for sure. The importance of the bill and the lessons of the past should not be lost on either the Parliament or the people of Victoria. This simple bill is important; but in future many opportunities exist for us to learn and profit — in the nicest sense of the word — and to use that knowledge to develop the various regions of Victoria, all of which are important and loved by their residents.

Dr COGHILL (Werribee) — I have pleasure in joining the debate. I can probably say that were it not for Albury-Wodonga I would not have had the opportunity of pursuing a parliamentary career. At the time the Albury-Wodonga project was initiated I was a newly elected member of the Wodonga council. As a consequence I became closely involved with the personalities and developments associated with the Albury-Wodonga project.

I pay tribute to the Honourable Tom Uren, who I believe was one of the great successes of the Whitlam Labor government. He set up and administered a large portfolio — with a significant budget — and introduced new programs. He did this without the slightest taint of mismanagement or impropriety. He completed his term in that portfolio with a record of which any minister would have been proud — all the more so because he did not have a great deal of formal education. He was an outstanding minister by any measure and the success of the Albury-Wodonga project is testimony to that.

I also pay tribute to Gordon Craig, whom Tom Uren appointed as the first executive of the Albury-Wodonga Development Corporation. Although I acknowledge that I had a few disagreements with him, there is no doubt that he was a very capable administrator and, without the quality of his leadership, the personnel who implemented the Albury-Wodonga project would not have achieved the success they did.

The Albury-Wodonga Development Corporation was allocated significant funding for the project, but I suggest that the reason for its success was not that buckets of money were available but the high level of skill applied by the three governments and the staff of the corporation from that time up to the present day. The planning control skills used were applied to the entire area, which was promoted to potential investors and local business people. People were attracted to live and work in the area in a highly professional way and at a level that I would
recommend to any community wanting to foster its own economic and social development.

One of the attractions of representing Werribee is that it is known as the country suburb. It is known as a greenfields site of new development. It has been able to apply a number of the techniques that were so successfully applied at Albury-Wodonga.

One of the criticisms of the corporation in those early days was the extensive land acquisition program. The program was the principle reason for the relatively large sums of money allocated to the project. With hindsight one might say that it was not necessary to have such an extensive land acquisition program. It must be equally acknowledged that the land acquisition in the areas immediately around Albury and Wodonga, as well as the areas that have subsequently been subdivided, were extremely important in ensuring that the area's development was not railroaded and diverted by vested interests — land-holders who were more interested in their own profits than in the overall development of the community or the overall success of the Albury-Wodonga project.

Important lessons can be learnt by growing urban areas — not the least of which is the area I am privileged to represent — examining the details of land design, planning and zoning that were applied in Albury-Wodonga. Similarities can be found between the best parts of Canberra's planning and that of Albury-Wodonga. The planners have sought to create relatively small communities where each resident has a sense of identity. My observation is that that identity is lost in the greater metropolitan area.

If one lives in Sunshine, Altona, Malvern or other such areas one is simply part of an amorphous mass and a seemingly never-ending urban sprawl. If one visits a new development in Albury-Wodonga like Baranduda or Thurgoona, one finds discrete, easily identifiable communities that have their own local shops, schools, places of worship and the like. To my mind enormous advantages accrue to people living in communities like that because of the social support they enjoy from their fellow residents. That sort of social planning — some opposite might describe it as social engineering — has been an enormous success and should be an experience from which we all learn. The honourable member for Altona mentioned the social infrastructure which has been part of the development and which has helped make the success of Albury-Wodonga.

The SPEAKER — Order! I had cause to interrupt the honourable member for Altona for talking about social infrastructure and the like. I remind the honourable member for Werribee that this narrow bill deals with the reporting operations of the authority. I ask him to relate his remarks to the bill.

Dr COGHILL — I have pleasure in doing that. I direct the attention of the house to the most recent 1993 annual report of the corporation which is available in the papers office and which comments extensively on the social infrastructure as well as the other aspects that will be the subject of future reports in accordance with this legislation. The 1993 report directs attention to the great success of the Albury-Wodonga Development Corporation in achieving population and employment growth, a result that can be contrasted with Wagga, the old rival of Albury, which is about an hour and a half's drive away. Until the 1970s it was a large urban area and had more growth potential. The Albury-Wodonga Development Corporation has been able to demonstrate its enormous success by far outstripping Wagga and other inland urban areas in its population and economic growth in the period since 1971.

Page 17 of the most recent report points out that:

Albury-Wodonga has had a work force increase of 121.3 per cent since the 1971 census and achieved an annual average work force increase of 3.9 per cent since 1971. The national figure for that period is 1.6 per cent.

Those figures speak for themselves. Employment in the Albury-Wodonga area has grown at more than twice the national average. The report continues:

Albury-Wodonga has a population of 90,850, according to the 1991 census, ranking it as the 4th-largest inland centre and 18th-largest urban centre in Australia.

That is a far cry from what was said about Albury-Wodonga when I first went to live there in 1968. Wodonga was known disparagingly by those in Albury as Struggle Town. It is a long time since Wodonga was a struggle town, and it has also been a long time since an element of Albury-Wodonga was a struggle town.

Investment by government has shown the valuable role that public sector investment can play, but it must be well targeted. One can contrast the success of Albury-Wodonga with the abortive failure of Monarto, a proposed growth centre on the eastern side of the Adelaide hills. All one sees driving
through that area now is a lot of tree plantings but no development.

Albury-Wodonga started off with a number of things in its favour: it was on the main rail and road link between Sydney and Melbourne and had a sound economic base, although it was not growing nearly as strongly as it has since the infrastructure investment government has been able to make, which built on those natural advantages rather than trying to create some artificial environment as was proposed at Monarto.

I commend the bill to the house. The change that has been made is a relatively small one; it looks so commonsense now that one wonders why it was not part of the Albury-Wodonga Act 1973. We have now come a step forward and may have set a precedent for the way in which the reports of other similar inter-governmental organisations are prepared and tabled in the respective Parliaments.

Mr PESCOIT (Minister for Industry Services) — Those honourable members who have made contributions to the debate on the bill have added significantly to the information the house requires to consider this matter. I thank the honourable members for Melbourne, Altona, Morwell and Werribee for their contributions to the debate and wish the bill a speedy passage.

Motion agreed to.

Read second time.

Passed remaining stages.

AUDIT BILL

Second reading

Debate resumed from earlier this day; motion of Mr I. W. SMITH (Minister for Finance).

The SPEAKER — Order! The question is:

That this bill be now read a second time.

House divided on motion:

Ayes, 56

Ashley, Mr
Bildstien, Mr
Clark, Mr
Coleman, Mr
Cooper, Mr
Davis, Mr
Dean, Dr
Doyle, Mr
Elder, Mr
Elliott, Mrs
Finn, Mr
Gude, Mr
Hayward, Mr
Heffernan, Mr
Henderson, Mrs
Honeywood, Mr
Hyams, Mr
Jasper, Mr
Jenkins, Mr
John, Mr
Kennett, Mr
Leigh, Mr
Lupton, Mr (Teller)
McArthur, Mr
McGill, Mrs
McGrath, Mr J.F.
McGrath, Mr W.D.
McLellan, Mr
Perrin, Mr
Pescott, Mr
Petlich, Mrs (Teller)
Phillips, Mr
Flowman, Mr A.F.
Flowman, Mr S.J.
Reynolds, Mr
Richardson, Mr
Rowe, Mr
Ryan, Mr
Smith, Mr E.R.
Smith, Mr I.W.
Spy, Mr
Siegall, Mr
Stockdale, Mr
Tanner, Mr
Thompson, Mr
Traynor, Mr
Treasure, Mr
Weideman, Mr
Wells, Mr

Noes, 23

Baker, Mr
Batchelor, Mr
Coghill, Dr
Cole, Mr
Cunningham, Mr (Teller)
Garbutt, Ms
Haermeyer, Mr
Hamilton, Mr
Leighton, Mr
Loney, Mr
Marple, Ms
Micallef, Mr
Mildenhall, Mr (Teller)
Pandazopoulos, Mr
Roper, Mr
Sandon, Mr
Seitz, Mr
Sercombe, Mr
Sheehan, Mr
Thomson, Mr
Thwaites, Mr
Vaughan, Dr
Wilson, Mrs

Committee

Clause 1 agreed to.

Clause 2

Mr STOCKDALE (Treasurer) — I move:

1. Clause 2, page 2, line 1, omit sub-clause (2).

This amendment removes clause 24 from the bill on the ground that it has become redundant. It is a transitional provision designed to deal with audits
conducted between January and July 1994. It is clear that the act will be proclaimed on a basis that makes the provision unnecessary; accordingly, the government wishes to remove the redundant provision. This move does not indicate a departure from the arrangement recommended by the committee that for the purpose of enhancing accountability in respect of performance audits the funding should be made by the parliamentary budget, or that the budget should be supplemented for that purpose to reinforce the accountability of the Auditor-General to the Parliament in the conduct of the performance of programs of the executive government and other public sector agencies.

Amendment agreed to; amended clause agreed to.

Clause 3

Mr BAKER (Sunshine) — I move:

1. Clause 3, line 5, before “In” insert “(1)”.

Mr STOCKDALE (Treasurer) — The honourable member has moved the first of three amendments standing in his name — two of them are consequential. At this stage the government is not prepared to agree to the amendments, which were also contained in the bill introduced by the previous government. This government requires time to consider the implications of the amendments and their unintended impact upon bodies in which the government may be said by force of law to have a controlling interest and where the interests of other parties are involved. In saying that I am not ruling out a future review of the government’s position on this issue. If we were to be persuaded that the proposal had merit we would be prepared to discuss it with the opposition and include it in any future amendments, but at this stage we are not able to reach a view on the matter. We believe the bill should proceed without being delayed by this issue.

Mr BAKER (Sunshine) — Notwithstanding the Treasurer’s remarks — I note that he and other members of the government have said there is a faint prospect that the government will take up the recommendations of the Public Accounts and Estimates Committee in the lifetime of this Parliament — it would be useful if he would give a more precise indication of what the timing will be.

The remarks I made in the main body of my reply were clear and precise. Authorities from Parliaments around the commonwealth are strong on this issue, without exception. The mandate of Auditors-General anywhere must include in the broadest possible ambit that which engenders confidence in both the broader community and Parliament that wherever a government dollar or a taxpayer’s dollar is either invested or at risk it is subject to independent audit.

Although I do not want to play mischievous politics at this hour of the night, I point out the alarming news in this morning’s newspapers that the Premier is prepared to offer $5 million on some sort of vague basis — as well as unspecified tax breaks for an unspecified period — to a company that has a single $2 share, which is owned by a Sydney property developer, and one aircraft, probably run by an elastic band, to operate tourism flights out of China. That is the sort of thing that an Auditor-General should be able to turn his attention to. I note that in question time today the Treasurer made it clear that he was not involved in the decision in the sense of being at the relevant committee at which the matter was allegedly considered before the Premier made the announcement.

Examples of that kind and of the kind that have occurred over the past decade should be a firm warning to all that the Auditor-General must have the independent authority to pursue at his own whim, fancy or wisdom the spending of any cent or dollar of taxpayers’ money and then report back to Parliament — and that is our intention.

That was the view underlying the recommendations of the unanimous report of the Public Accounts and Estimates Committee — or, putting it more formally, the report that was agreed to without dissent from any member of the committee, whether from the government or opposition side. Four of the government members on that committee — the honourable members for Benambra, Glen Waverley and Dromana and the committee chairman, the honourable member for Frankston — are in the chamber. I ask them to take the opportunity to put their votes where their noise was! The opposition has taken their propositions and put them before Parliament for it to vote on. The very least they can do is behave honestly by expressing their opinions, as they did noisily during the committee’s deliberations. Unless they do, the parliamentary committee system will be reduced to low farce.

I have been most circumspect about the amendments. They go no further than the amendments proposed by the committee when the report was produced. The names of those honourable members and my name are on that report. I have been absolutely circumspect in
proposing the amendments without the need for a message from His Excellency the Governor, and I call on them to support the amendments!

Mr STOCKDALE (Treasurer) — Nothing better illustrates the prudence of the government’s position on the amendments than the speech the honourable member has just made. His speech illustrates the need for further consideration of both the principles he is enunciating and the nature of the amendments.

The honourable member used two illustrations in an effort to engender support for the amendments. The first was that if a company were to be somehow funded by the public sector, by virtue of financial support, the ability should exist to follow the money and to guarantee accountability to Parliament through an audit by the Auditor-General; but his amendments do not give effect to that criterion because they do not turn on financial support. Other provisions in the act do, but these turn on effective control.

In the situation he posited in his first illustration, the force of the amendments would not attract an audit by the Auditor-General by themselves. It may be that by virtue of other provisions in the act there already would be a power for the Auditor-General to audit; but the provisions of the amendments would not confer a power on him because they turn not on financial control but on the ability to appoint directors and give directions to the company.

The honourable member also referred to the Australia Air International proposal. Again, the amendments would not attract an audit by the Auditor-General in that case. The arrangements with that company are contractual. They do not involve the government appointing directors or in any way having an equity interest in the company. In so far as the arrangements are resolved at all at present, they do not involve a power to give directions, a power to control a company or a power to appoint directors. As is common with governments across the western world, they simply involve the government entering into a contractual arrangement to provide certain forms of concessional support to induce people to locate their business here.

The amendments would not achieve either of the objectives in the two illustrations he gave to support his case. That illustrates that although there is a point of substance the amendments do not necessarily address it and that the matter requires further consideration not only by the government but clearly, in light of the honourable member’s speech, by the opposition. There is a need to determine whether the amendments are the most appropriate way of manifesting the values implicit in his address.

Mr E. R. SMITH (Glen Waverley) — During the second-reading debate government speakers went to a great deal of trouble to point out to the honourable member for Sunshine that the introduction of the bill and the presentation to Parliament of the Public Accounts and Estimates Committee report were only two weeks apart; in other words, the bill came first, followed shortly afterwards by the report.

The honourable member for Sunshine probably does not realise that a six-month period is allowed for government response. The examples given by the honourable member for Sunshine certainly do not make a case for the audit being extended from government departments to government instrumentalities, state-owned enterprises and the like. He did not listen; he has tried to make something out of nothing. The Treasurer has said that he will pursue the issue when he is ready. He is certainly within the time limit. He will do so when it suits him, not as a result of being badgered by the honourable member for Sunshine. We hear nothing but bleating from the honourable member. He does not seem to understand that there is a time limit. The government will make the amendments when it is ready.

The CHAIRMAN — Order! To test amendments 1, 2 and 3 standing in the name of the honourable member I shall put the question on amendment 1. If the honourable member loses that amendment he will also lose amendments 2 and 3.

Amendment negatived; clause agreed to.

Clause 4

Mr BAKER (Sunshine) — I move:

4. Clause 4, line 4, after “Council” insert “, on the nomination of the Parliament in accordance with sub-section (2),”.

5. Clause 4, after line 6 insert -

“() A nomination of the Parliament for the purposes of sub-section (1) is a nomination made by a joint sitting of the members of the Legislative Council and the Legislative Assembly conducted in accordance with rules adopted for the purpose by the members present at the sitting, being a nomination recommended by
the Public Accounts and Estimates Committee of the Parliament.”.

Mr STOCKDALE (Treasurer) — Again, the government drafted the bill without the benefit of the committee’s report. The committee recommended a procedure for nomination and there have been some discussions in the past about this option. The government is not persuaded at present that this is desirable either of itself or in conjunction with the provision for a termination point rather than a whole-of-life appointment or one to a certain age, but the government considers the provision worthy of consideration. I again indicate that it would be happy to look at and discuss the provision with members of the opposition and, if necessary, introduce amendments to that effect.

Mr BAKER (Sunshine) — I welcome the Treasurer’s offer, and I am prepared to believe that there will be further discussion about this provision.

The logic of the various positions that I wish to highlight and which need to be clearly understood is that the opposition is not opposed to a term of seven to ten years. As the honourable member for Box Hill pointed out, the previous government had actually proposed this term, but it is important to understand and for the community and the Parliament to be satisfied that the Auditor-General’s position is independent and that if his appointment is decided by the executive rather than the Parliament as a fixed term of tenure, he cannot have reappointment.

If one wants to guarantee the independence of the appointment by the executive as the governing variable, he cannot have anything other than a fixed term appointment and a one-off or life tenure as it is at the moment.

If on the other hand one sees the need to have reappointment as the governing variable in obtaining a decision, the appointment should be by Parliament, and that is my first preference and the first preference of any number of authorities in terms of emerging customs and practice around the country.

The appropriate authority to advise the Parliament on the matter is the Public Accounts and Estimates Committee, or the relevant body of whichever Parliament one is talking about. A similar debate occurred in the Senate recently, and one cannot have the worst of all worlds, which is what particularly alarms me. The provision is the worst of all those options, and we will inevitably at some stage under some future government — whether it be from my side of politics or the other side of politics — have the situation where an Auditor-General who is coming up for reappointment within a year of an election will have the spectre of the big stick perched on his shoulder.

Nobody should be put in that position, and the Parliament and the community can have no sense of assurance that under those circumstances an Auditor-General who was seeking reappointment would not be touched by fear in whatever he did; the role would be subject to suspicion and doubt no matter how fine the character of the particular person in office was.

For those reasons, I am delighted in the spirit of goodwill to continue discussions at some future time at the Treasurer’s convenience as I would like to see something done about that provision in the lifetime of this Parliament.

Dr COGHILL (Werribee) — I, too, welcome the indication from the Treasurer that he is prepared to look at this matter further. The concerns that I have and that other honourable members may have are in no way intended as a personal reflection upon the Treasurer. There is no suggestion that he is a person who might at some stage wish to corrupt the processes as would be possible under the bill before us tonight. The opposition’s concern is that at some future stage another person from the same party or another party may occupy the high office which he now holds and be tempted to effectively corrupt the Auditor-General of the day and undermine the finances of the state and the integrity of the government. For those reasons I welcome the comments of the Treasurer.

Another matter arose from the second-reading debate, and I want to make it absolutely clear that I was too subtle for the honourable member for Glen Waverley in response to his assertion. To the best of my knowledge there was never any suggestion that the services of Mr Baragwanath be terminated or that he be otherwise removed from his office, as suggested by him. I do not believe there is any foundation whatsoever to the suggestion he made. What is important is that honourable members respect the conventions that have surrounded offices such as this. Recently Justice Michael Kirby said both publicly and in private correspondence that if that type of convention is not respected the government will bring itself into disrespect and our whole system of government will be brought into disrespect and will break down and fail the community it is intended to serve.
It is important that we institutionalise the sorts of protections that are required to ensure that future governments are not tempted to destroy the conventions of the integrity and tenure of the Auditor-General as has happened with other statutory offices in recent times.

Mr E. R. SMITH (Glen Waverley) — I am pleased to hear the honourable member for Werribee making that point. I gave him the opportunity because when he had the Auditor-General standing in the corridor outside his office it certainly was the feeling of the media and of members of Parliament that pressure was being put on him by the Speaker at the time, and there was a great deal of media speculation.

The honourable member for Werribee has made his point; I accept that he did not put any pressure on the Auditor-General, and I hope history will find that he is right.

It also justifies what I said before in relation to the honourable member for Sunshine about the government considering the matter again and the accusations made by him about government members of the Public Accounts and Estimates Committee and the timing. I raise the point that there was a difference in the timing; as the Treasurer said, the bill is the same as the bill the former government introduced, and I have seen a copy of it. The former government brought it into the house and the present government has made very few amendments to it. When the government came to power the bill was in the draft stage. I read out the differences between the provisions of the bill and what the Public Accounts and Estimates Committee recommended. The Treasurer has taken those recommendations on board, and I hope the honourable member for Sunshine is satisfied with my earlier comments.

The government has had six months since November last year to consider the recommendations, and I believe one could not get better provisions than those expressed by the Treasurer. The Public Accounts and Estimates Committee will continue to produce good reports in the same spirit it displayed in the report relevant to this legislation. I want to ensure that no aspersions are cast on the good work of the committee, which I hope will continue.

As I said to the honourable member for Sunshine when I first objected to his remarks, if government members of the Public Accounts and Estimates Committee had been running to the Treasurer or to the Department of the Treasury reporting on the committee's deliberations, the committee would have lacked integrity. Now that the honourable member has heard my assurances, he should be satisfied.

Mr STOCKDALE (Treasurer) — I have been hesitant to say anything more in this debate because I do not want anyone to be regarded as lacking bona fides. We should look at the issues in good faith.

It is important to note that the proposal contained in the amendment is not free from practical difficulties. That must be weighed up in circumstances where it is important that the widest pool of talent is able to be drawn on. I can envisage circumstances where the government may recruit an Auditor-General from another jurisdiction — perhaps a senior accounting officer from a private sector corporation or, as with the present Auditor-General, from a major statutory authority. One could imagine an incumbent such as that having some difficulty, as is normal in senior recruitment procedures, if any application — particularly if in the final analysis it was unsuccessful — became a matter of public record and potentially the subject of debate in this house.

One would question the value of the procedures if there were no serious debate in Parliament and if an appointment were simply a rubber-stamp job. One must also contemplate Parliament's declining to accept a nomination. A senior person could end up in the situation of having it publicly disclosed that he or she had sought to leave his or her present employment but had not succeeded in obtaining a new position. That may be highly damaging given that allegations could be made against that person in the course of parliamentary debate.

Practical difficulties in the proposed nomination procedure must be worked through. But the government is interested in taking reasonable and practical steps to further enhance the accountability of the Auditor-General to Parliament. As a prima facie position, the government's view is similar to that articulated by the opposition — that is, that public sector agencies should be subject to audit by the Auditor-General.

The government believes the Auditor-General should be readier to adopt private sector commercial standards and to contract out audit functions under an officer's own authority. That is consistent with both the policy the government has adopted and the
policy enunciated by the former government. Fundamental accountability to Parliament should come through the office of the Auditor-General. It is important that we do not take steps in one direction, albeit with good intentions, but experience practical difficulties in the other.

Although I do not think we can express a conclusive view on these matters, I am prepared to look at them in good faith and to talk to the opposition about practicalities to make sure that no prejudice exists in drawing on the best applicants for the position of Auditor-General. Both the state and Parliament have been well served by the strength of recent Auditors-General, who have fearlessly pursued their responsibilities. Compromises must be a part of any solution. We must understand what we would be committing ourselves to were we to adopt the suggestion made. At this stage I do not believe anyone is in a position to be sure of that situation.

Mr A. F. PLOWMAN (Benambra) — I had some sympathy for the honourable member for Sunshine when he said that a fixed-term appointment could mean that an appointment made prior to an election could put pressure on the incumbent, the inference being that the person in that position would succumb to that pressure. As the Treasurer mentioned, we have been well served by our Auditors-General. Given the way in which Auditors-General are appointed it is unlikely that a person who would succumb to the pressure would ever reach that point.

I also suggest that if an appointment for life were made, one would run up against suggestions of an Auditor-General going beyond his or her time. Any appointment should be for a fixed term. That would enable the appointee to know what his or her role would be and that the term could be extended by reappointment.

This issue has been carefully thought through by the Public Accounts and Estimates Committee. It would be advantageous if the committee were to meet the Treasurer to discuss the situation so that his suggestion of a further debate on this issue may be taken up.

The CHAIRMAN — Order! I intend to put the question on amendment no. 4 moved by the honourable member for Sunshine, which will also test his amendment no. 5.

Amendment negatived; clause agreed to.
close consultation with the Auditor-General as the person with current responsibility for not only carrying out the function but also the long-term interests of the office.

When the present government was in opposition a similar proposal was put forward by the then Labor government. Clause 6(2) of the Audit (Amendment) Bill 1991 provides:

... for “during good behaviour” substitute “for 7 years or until attaining the age of 65, whichever is the shorter period”.

During my contribution to the debate on that bill, I said that the coalition had reservations about the provisions dealing with the office of the Auditor-General and was particularly concerned about the adoption of a seven-year term. That had been extensively discussed and the material and information given to the opposition had diminished its concern about the matter. The opposition did not object to the provision to the extent of opposing it.

When in opposition, coalition members were concerned in precisely the same way members of the current opposition are concerned. I certainly do not contend that this is an irrelevant issue or that the nature of the appointment, be it a term or for life, and the other elements of the basis of the appointment are irrelevant to the independence of the audit office; clearly they are. However, on balance, when the 1991 bill was debated the then government satisfied the coalition that those provisions were appropriate. This bill simply adheres to the position in evidence at that time.

Another element has now been introduced — that is, the argument about the nomination by Parliament, which is a matter that warrants further attention. The government believes it is appropriate to introduce a seven-year term; nothing advanced in this debate is sufficient to dissuade it from that view. The government has agreed to examine the question of whether, in light of that basis of appointment, greater weight should be attached to the proposal for the Auditor-General to be appointed on the nomination of a committee or on the nomination of Parliament itself.

The totality of the government’s position is ample evidence of the fact that it is concerned to ensure the independence of the audit office and to ensure that it carries out its functions fearlessly, as it clearly has done in the past under both governments. We can look forward to developing a proposal which will preserve the bipartisan support that this legislation has had in the past.

Mr BAKER (Sunshine) — I do not in any way want to introduce a note of rancour to the discussions, but the Treasurer might have had the grace to point out that never have I stood in this Parliament or anywhere else and criticised the Auditor-General. I do not intend to here and now or for ever more because I do not believe that is the way I should behave.

As a minister of the former government, my relationship with the Auditor-General was always excellent, mainly because I did everything I could to comply with any criticism that he had made of the ministries for which I was responsible and also because my budgets always came in on target. In fact, when I was the Minister for Food and Agriculture my budget came in $2 million under the estimate.

There seems to be some confusion in the Treasurer’s mind as to the position the opposition has taken. It endorses the Auditor-General’s propositions in his letter that there should be set terms, and if there are set terms, it is possible that there should be an option for reappointment. However, the Treasurer did not mention — which was a sin of omission rather than commission — that the Auditor-General is also strongly supportive of appointments by Parliament, and that those two issues are inextricably intertwined or correlated.

One cannot take the option of moving for executive appointments and reappointments because that puts the appointees under threat if they are interested in being reappointed. One must have either a set-term appointment by the executive and the understanding that after seven years there will be a new appointment, or Parliament must make the appointment. When reappointment is coming up, there is no sense in political pressure being applied. It is both as simple and as complex as that.

The opposition and government are not in major disagreement. The Treasurer mentioned earlier — I understand the inherent logic in what he is saying — that one needs to be able to canvass a field of possible candidates from excellent backgrounds. They would normally be people in the prime of their careers and they would be holding substantial positions; they would not necessarily want to put that at risk or suffer the embarrassment of being turned down. However, I am sure confidentiality within the process could be ensured.
I do not envisage for a moment Parliament adopting the American experience of having an inquisition of people who are potential candidates and debating the various abilities of candidates in that way. I envisage an appointment coming forward after careful consideration by the relevant parliamentary committee of a wide range of candidates.

Dr COGHILL (Werribee) — To pursue the point made by the honourable member for Sunshine, a precedent has been established in recent times of how the appointment of the Auditor-General could be dealt with by the Parliament — that is, the appointment of the independent auditor of the Auditor-General. Honourable members will be aware that the deliberations of the committee which made the recommendation did not become public. I certainly have no knowledge — I do not know of any other public knowledge — of who the applicants were, how they may have responded at interview, or any other aspect of their participation in the selection process. The person selected by the committee and recommended to Parliament was a person beyond reproach for his professionalism, and as such there was no capacity for the house to have a divisive debate which may have reflected adversely on the professional standing and reputation of the applicant selected.

Similarly, the opportunity exists for a recommendation to be made by the relevant parliamentary committee to Parliament and then to the Governor in Council for the appointment of an Auditor-General. That could be done in such a way as to not place at risk the professional standing and reputation of the applicant selected.

Clause agreed to; clauses 6 to 13 agreed to.

Clause 14

Mr BAKER (Sunshine) — I move:

6. Clause 14, line 15, omit “must not fail” and insert “who fails”.

7. Clause 14, line 19, after “Auditor-General” insert “is liable on any such default to be dealt with as in case of a contempt of the Supreme Court”.

8. Clause 14, line 20, omit “Penalty: 5 penalty units.”.

Mr STOCKDALE (Treasurer) — The amendments deal with the penalty provisions, and, as presently advised, the government does not agree to them. The government is less attracted to and open-minded about them than some of the other opposition amendments and does not see the need for them. However, since it has agreed to look at the other provisions, it is only appropriate that it considers all the amendments proposed by the opposition on their merits. If it is persuaded that there is a sound reason for the amendments, then they can be dealt with in the same way as was contemplated for the others.

Mr BAKER (Sunshine) — Again I thank the Treasurer for that undertaking. Briefly I shall reiterate the reason why the opposition sees this as significant and in part it relates — —

The CHAIRMAN — Order! The time appointed under sessional orders for me to report progress has arrived. Progress reported.

Debate interrupted pursuant to sessional orders.

Sitting continued on motion of Mr GUDE (Minister for Industry and Employment).

Committee

Resumed from earlier this day; further discussion of clause 14 and Mr BAKER’S amendments.

Mr BAKER (Sunshine) — The reason why we have bothered about this is that we all agree that the Auditor-General needs to have a strong stick, both figuratively and literally, to shake out anybody who defies requests for information. I am sure the government agrees with this position. We do not believe that removing the reference to the Supreme Court because of its mystique — the loss of status because of the fear of being dragged before the court — is an issue. We believe this is more important than a penalty of $500, especially for those people who may be under investigation, who cannot be bothered talking to the Auditor-General or who may have decided that it is not in their best interests to meet the requests made by the Auditor-General to provide information.

For many in that position the payment of $500 in penalty would be well worth their trouble rather than their being dragged before the mysticism, pomp and ceremony of the Supreme Court and being dealt with in open court. I am gratified by the Treasurer’s assurance that even though he has a strong objection to those amendments, he is prepared at least to discuss them.

Amendments negatived; clause agreed to.

Clause 15
Mr STOCKDALE (Treasurer) - I cannot resist asking whether I get any points for having the forbearance not to jump up to celebrate the fact that the honourable member for Sunshine sought to invoke the mysticism of the Supreme Court to plead in support of his amendments.

Clause agreed to; clauses 16 to 23 agreed to.

Clause 24

Mr STOCKDALE (Treasurer) - I move:

2. Clause 24, omit this clause.

I have explained that this clause is redundant as a result of the lapse of time since the bill was originally before Parliament. The amendment removes the redundant clause.

Amendment agreed to.

Clause negatived.

Clauses 25 to 27 agreed to.

Reported to house with amendments.

The SPEAKER — Order! The Chairman of Committees reports that the committee has gone through the bill and made amendments. The question is:

That the report of the committee be taken into consideration forthwith.

Those in favour say 'aye'. I think the ayes have it.

Mr BAKER (Sunshine) — No.

Bells rung.

The SPEAKER — Order! The house will divide on the question:

That the amendments made by the committee be agreed to.

I thought the proposal was that the house agree to the amendments proposed by the committee. That was the question before the Chair.

Honourable members interjecting.

The SPEAKER — Order! The question put by the Chair was opposed by the honourable member for Sunshine, who I understand demanded a division.

We will start again. The question is:

That the amendments made by the committee be agreed to.

House divided on question:

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Report adopted.

Passed remaining stages.

ADJOURNMENT

Mr GUDE (Minister for Industry and Employment) — I move:

That the house do now adjourn.

Abuse of the elderly

Mrs WILSON (Dandenong North) — I raise for the attention of the Minister for Community Services, who is the representative in this house of the Minister for Aged Care, a matter that is particularly appropriate during Senior Citizens Week. I am sure it gives all honourable members enormous pleasure to see so many Victorians participating in the activities associated with Senior Citizens Week at this time of the year.

However, a number of very unfortunate older Victorians do not participate in Senior Citizens Week: they are the victims of elder abuse. Although we often do not like to admit that these types of things occur in our community, the issue of elder abuse is well documented in various reports from the Office of the Public Advocate and has been made public for some time. Unfortunately the people who suffer from elder abuse are often abused by members of their own families or by employees of nursing homes, hostels or supported accommodation houses where they are residing.

Several years ago an extensive investigation was undertaken on this issue and the report found that at least 3 per cent of elderly Victorians, mainly people in their 70s and 80s, were the subject of this criminal activity. A majority of those people were women. This type of abuse often stems from conflict within a family when a family member wants to get his or her hands on the property or money of the elderly person. The abuse can be verbal or emotional; it can take the form of threats or even physical violence.

The former Labor government introduced a bill to allow community visitors to enter supported accommodation homes for the elderly to ensure that they were being properly cared for. The coalition government has not continued to appoint those people. The Office of the Public Advocate has been downgraded and a permanent Public Advocate is yet to be appointed to look after the needs of elderly Victorians.

I believe Senior Citizens Week should be a time for reflecting on services offered to the elderly during the whole year.

The SPEAKER — Order! The honourable member’s time has expired.

Springvale tip site

Mr LEIGH (Mordialloc) — I raise for the attention of the Minister for Planning a matter I raised with him a fortnight ago concerning a tip in the Springvale area. The issue of this tip was botched by the former Labor government, and it has now become an urgent problem. Close to the tip is Braeside Park, which attracts more than 300 000 visitors a year. The tip, which was operated by the Labor Party-dominated Springvale council, is now seriously polluting the park. The level of ammonia in the park has reached 750 parts per million, whereas a level of 150 parts per million will kill marine life, migratory birds and so on.

More than 100 species of birds are found in the park and more than 300 000 people use that major metropolitan park every year, yet now, because of the irresponsible actions of the Springvale council, contaminated water is leaking through the dam walls of the tip and entering the park. Because of the stupidity of the Labor Party this government now has responsibility for fixing the problem. The Labor Party has a moral obligation to help solve the problem.

The Mayor of Springvale is none other than Mr Brumby’s chief political adviser. I call on the Labor Party to show some responsibility and fix this environmental problem.

Mr MICALLEF (Springvale) — On a point of order, Mr Speaker, apparently I am in something up to my neck. I have never in my life been in anything up to my neck.

The SPEAKER — Order! There is no point of order.

Mr LEIGH (Mordialloc) — The Labor Party has caused this mess. Supposedly it is concerned with the environment, yet Mr Brumby’s adviser is the mayor of the council which is causing the damage to this park. I ask the minister to take whatever action
is needed and demand that the Leader of the Opposition take some action as well.

**Capsicum spray in police cells**

Mr HAMILTON (Morwell) — I direct to the attention of the Minister for Police and Emergency Services a matter of serious concern. I was outraged by a report in the *Sunday Age* that police intend to trial capsicum gas in prison cells in Morwell. If the report is correct, it is an absolute disgrace. I hope the report is inaccurate because experiments on prisoners is the sort of thing that Hitler’s Gestapo and Mussolini’s fascists carried out.

If the reports are true, how will these experiments on humans be carried out? Will a doctor be available before and after the experiments? More importantly, will psychologists talk to the police officers who will be ordered to carry out these inhumane experiments, because this type of behaviour affects both the person ordered to carry out the brutality and the victim? If these experiments are to occur, will the police minister himself or Commissioner Neil Comrie or Bob Falconer push the button on the first capsicum spray can or will they volunteer to be the first victims? These are important questions because the prisoners could just as well be the minister’s daughter or my son. After all, prisoners are human beings and are someone’s daughters and sons.

Australia’s reported level of violence is much less than that of the United States of America and the use of capsicum spray in prison cells is almost like the American Dirty Harry image we have of the police. I hope the reports are not true because it would be completely un-Australian and unacceptable. The minister should guarantee that this sort of behaviour will not occur in any prison cell in Victoria.

**Fire buffer zones**

Mr McARTHUR (Monbulk) — I direct to the attention of the Minister for Natural Resources a longstanding planning issue involving fire buffer zones. An argument has developed in the Dandenong region regarding fire buffer zones created by the Upper Yarra Valley and Dandenong Ranges Authority. As a result of disquiet about this issue a committee was established to review the siting of the buffer zones, and it recommended to the regional authority that they be abolished. The recommendation was accepted and referred to the Minister for Planning, who also accepted the recommendation and amended the regional strategy plan. However, in so doing, he advised the Department of Conservation and Natural Resources that if in future it wanted to purchase property in the Dandenongs for the purposes of fire protection or conservation it should develop a priority list and seek to have the properties rezoned as public open space. That process would trigger compulsory acquisitions and the planning programs then envisaged would no longer hold sway.

Some 12 months have elapsed since the Minister for Planning’s decision and the department has not yet come up with a priority listing of properties it is interested in purchasing for fire protection purposes. Rumours abound throughout the Dandenongs about properties supposedly on the list and the lives and wellbeing of people who own houses and land in the region are affected. They are not sure whether they can sell their properties or whether their properties will be acquired by the government.

Recently the Shire of Sherbrooke was asked by the Department of Conservation and Natural Resources for information on the ownership of a select group of properties identified on the map. However, the department consistently states that the risk of acquisition exists. I understand the Minister for Natural Resources is considering a list of properties for purchase and I ask him to make a decision as quickly as possible so that the list can be published and people can know whether their properties are required by the department for fire protection purposes.

**Post Newspapers**

Mr THOMSON (Pascoe Vale) — I call on the Premier to remove Mr Peter Boyle from the Premier’s business round table arising from his extraordinary and unconscionable conduct as an employer. On 31 January this year the Australian Industrial Relations Commission handed down a decision that effectively roped Post Newspapers Pty Ltd into the federal award for suburban journalists. Post Newspapers is owned by Mr Peter Boyle.

On 2 February journalists at the paper were told they were required to sign individual employment contracts which proposed conditions of employment inferior to those in the federal award. The contracts abolish annual leave, sick leave and termination notices. The journalists refused to sign and the following day they were sacked. Over the next 24 hours it transpired that the journalists had not been directly employed by Peter Boyle, but by a company known as Kenmore Arch, which is contracted solely to supply stories to Post Newspapers. The
ADJOURNMENT

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journalists work in the Post Newspapers office and use its visual display terminals.

The proprietor of Kenmore Arch, Mr Khoi Le, claimed he had shut down the business because of trading difficulties. However, typesetters employed by the company were not sacked. The six journalists were sacked without notice, contrary to the requirements of the federal award. Since that time the journalists have attempted to negotiate with Kenmore Arch for their redundancy pay.

Mr Boyle is clearly using the device of a separate and bogus front company to avoid his obligations as an employer. It is the very worst sort of behaviour that employers can engage in. Employers in Chile or Argentina would be ashamed of such conduct.

I am concerned that what happened at Post Newspapers is an example of the 'sign or be sacked' scenario underlying the philosophy of the government and its Employee Relations Act. The government's industrial relations policy encourages that sort of callous treatment of employees. Mr Boyle achieved notoriety during the 1993 federal election campaign when he told 4 Corners that 'beggars can't be choosers'. He said the trouble with the award system was that it removed people's fear and that fear was a great motivator.

Even his own organisation, the Australian Small Business Association, put itself into receivership to stop him using it as a platform for his comments. The Premier needs to dissociate the Liberal party and the government from the activities of Mr Boyle who has been described as a prominent member of the Liberal Party. It needs to remove Mr Boyle from the Premier's business round table and send a signal to the community that it regards Mr Boyle's behaviour as intolerable.

School councils

Mr SEITZ (Keilor) — I ask the Minister for Education to pay attention to the matter I raise. Advertisements are at present encouraging people to nominate for school councils and to have a say in the education of their children. I am concerned that the changes in the provisions for the election of school councils do not encourage student representation. Such representation enables students to gain experience and develop as Victoria's future leaders and decision makers. School council representation is the only place where students can make a start on that process.

The current advertising campaign encourages people to have a say on their school councils, but students are the very people for whom schools exist. These days 18-year-old secondary college students should be participating in school councils.

At this late stage I ask the minister to take steps to ensure that school councils and school principals encourage students to nominate or become elected representatives in whatever system they might develop for school councils. If that does not happen we will return to 1975 when students were not involved in any decision making in the school councils. After all, young people are best equipped to provide input about their needs, to recognise the shortcomings in school environments and to participate in the development of their own school council programs. Junior school councils can introduce ideas, discuss curriculum requirements and the direction in which the particular school communities want to go. Students can nominate the types of sporting activities and curriculums that should be introduced because they have the know-how.

The minister would be short-sighted and backward-looking if he did not encourage young people to nominate for school councils — that is the way forward. It gives young people the opportunity to participate in decision making at an early stage.

Breast screening

Mr A. F. PLOWMAN (Benambra) — In the absence of the Minister for Health I direct to the attention of the Minister for Industry and Employment to breast screening and the assessment of sites. Statistics reveal that 1 in 16 Australian women are at risk of developing breast cancer. Approximately 5000 new cases are detected every year and 2000 deaths occur each year because of that disease.

The seriousness of the problem cannot be overstated. I commend the government on its initiative in setting up centres that will cover the entire state and provide the opportunity for all women over the age of 50 years to take advantage of free breast screening.
Victoria is considering a breast screening centre in the north of the state at the same time as New South Wales is considering a centre in the south of that state. New South Wales. If the assessment were carried out collectively, Albury-Wodonga would prove to be the best place for both states. Unfortunately, if the assessments are carried out separately, the centre will not be located in the area of greatest population density and certainly will not be closest to the greatest number of people who will be able to use the screening service.

Will the Minister for Health, together with her New South Wales counterpart, reassess the areas where breast screening centres are to be located on the basis that such an assessment should be carried out bilaterally rather than unilaterally?

Stock agent loan repayments

Ms MARPLE (Altona) — I direct to the attention of the Minister for Fair Trading the cases of a former Terang beef farmer who has been ordered by the New South Wales Supreme Court to pay $132,000 in loan repayments, most of which has already been paid, and a Warrnambool farmer who has been ordered to pay $28,000 after dealing with the same stock agent. Many farmers deal with stock agents when buying and selling farm animals, and it appears that these farmers have been denied natural justice. The farmers appear to be victims of the old adage that the law is an ass. While the farmers have paid the money owing, it is not their fault that the local agent they were dealing with, unbeknown to them but known to the agent's true bosses, the financiers, was — —

Mr GUDE (Minister for Industry and Employment) — On a point of order, Mr Speaker, I understand the matter the honourable member has raised has been before the courts, a decision has been made and my understanding is that the matter is subject to appeal. I raise the question of sub judice because I do not wish the honourable member to find herself in a difficult position as a consequence of raising this matter. Mr Speaker, I seek your guidance whether this matter should be continued.

The SPEAKER — Order! If an appeal has been lodged the sub judice rule applies.

Ms MARPLE (Altona) — Mr Speaker, I believe an appeal has not been lodged at this stage.

The SPEAKER — Order! Be it on the head of the honourable member for Altona.

Ms MARPLE — Because the stock agent used the money instead of handing it on he has been convicted for theft. One farmer has had to move out of farming and another farmer stands to lose the family farm and his income if he continues to stand up for his rights. I believe they are only discussing whether to stand up and protest. Most fair-minded people would consider that the proper thing to do. What support can the farmers expect from this government, which claims to care for people on the land?

Inner West Linkages program

Mr MILDENHALL (Footscray) — I ask the minister at the table to direct to the attention of the Minister for Aged Care in another place the Inner West Linkages program, which is another Senior Citizens Week special. The intensive support program for older people who live in their own homes is an integrated system by which municipal councils provide meals, laundry, home maintenance, podiatry and other services that enable elderly people to remain in their own homes rather than seek residential care.

The program was initiated because the inner western suburbs have little residential accommodation for aged people but a high level of dependency on assistance. Many older people are disadvantaged because of their ethnicity and lack of access to mainstream services or a co-carer in a residential setting. The alternative to providing the service is building a new facility but because of the number of people in Footscray who are serviced by this program, a hostel would cost more than $3 million.

The regional office of the Department of Health and Community Services wants to spread the program from the 4 councils it presently covers to 12 councils, which would cripple its effectiveness, reduce the number of people who could be covered and reduce the intensity of services to a minimum level. With its usual finesse, the government has set up a sham of a review process and the operating agencies are not allowed to participate in case they have what is called a conflict of interest. It is like saying that someone who wants to use Mount Stirling cannot have a say in its use because it is a conflict of interest. Spreading the money too thinly will mean the basic objective of providing an alternative to residential accommodation will not be achieved.

I call on the minister to intervene to ensure that there is a legitimate and independent review of the service.
to examine its value for money and to see whether its original objective is being achieved.

Respite care

Ms GARBUIT (Bundoora) — In the absence of the Minister for Community Services once again I direct to the attention of the Minister for Industry and Employment the rally that took place this morning on the front steps of Parliament House. The organisers of the rally presented a petition of some 7000 names which concerns respite care and which will be tabled in this house this week. The group that organised the rally also presented its recommendations for respite care in Victoria. They are an alternative to the minister’s discussion paper which has been circulated in a limited fashion and which has caused grave concern across the state.

The petitioners wish to loudly and clearly tell the minister and the government that respite care is a crucial lifeline for them and that without it many families would disintegrate under the pressure of caring for severely disabled people. If the pressure is too great those families will have to seek, against their wishes, permanent accommodation and care for their disabled family member. That is the prospect they face if respite care is not available.

The various proposals put forward in the government’s discussion paper include limiting access to respite care. There was a suggestion that people will be limited in the number of days per year on which they can use respite care. Many families will find it impossible to keep to that limit. More fundamentally, there is a suggestion that there will be a move away from the use of respite houses that are fully staffed by trained personnel to cheaper options, including respite in the home. People point out that this will not meet everybody’s needs, that many people want respite to be given independently so they can spend time with other members of the family or just have a break and that shared family care that uses volunteer families does not suit everybody and is not available to everyone because volunteer families are not out there in the community. A further cause for concern is the use of respite care for children under six years of age.

The SPEAKER — Order! The honourable member’s time has expired.

Responses

Mr MACLELLAN (Minister for Planning) — The honourable member for Mordialloc referred to a tip that is now apparently leaking polluted water into Braeside Metropolitan Park. As the very embarrassed owner of the site that is causing the trouble, I will seek further advice from the department.

When the honourable member concluded his remarks he made some reference to the honourable member for Springvale. I would expect that the honourable members for Springvale and Mordialloc, indeed all members of the house, would wish that we could find a workable and effective solution to the problem. I believe we would also have the support of all members of the house in seeking to have those responsible for the mismanagement of the tip being legally liable for the damage and difficulty now created.

It is most unsatisfactory that the situation has changed from ownership of the tip by Waverley council and management by Springvale council to ownership by the Victorian government and me, in the sense that I hold the office of Minister for Planning — I stress that it is only in that sense. The million-odd dollars that was paid for the site would have been better spent cleaning up the mess. I will attempt to investigate the matters raised by the honourable member and see whether we can solve the problem.

Mr COLEMAN (Minister for Natural Resources) — The honourable member for Monbulk referred to fire buffer zones, particularly in that part of the Dandenongs known as the western face, an area very much exposed to fire conditions. A committee has been working on the issue. Six options are under review, ranging from no acquisition to total acquisition of some previously existing nominated properties. Clearly some mystique has arisen surrounding the outcome of that committee’s deliberations, and I will endeavour to get a response for the honourable member for Monbulk as soon as possible, given the need to get some surety into the process in the area he represents.

Mr KENNEDT (Premier) — The honourable member for Pascoe Vale raised with me the affairs of a business run or headed by Mr Peter Boyle. He suggested that because there was a difference of opinion over contracts that were entered into, or attempted to be entered into, between employees
and employers Mr Boyle should resign from the business round table.

I must say that the business round table is without a doubt one of the success stories of this government. On a regular basis leading businessmen and women of Victoria meet with me and my ministerial colleagues and assist us to promote the state; they keep us in touch with the requirements of the industry, big and small.

Mr Boyle is one of those round table members, and the suggestion made by the honourable member for Pascoe Vale that he should resign is absurd when one considers the totality of the situation, because the greatest threat to employment in this state and country is coming — —

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Springvale is interjecting while out of his place and is disorderly.

Mr KENNETT — The greatest threat to this state and country will come into force on 30 March when the Brereton industrial relations legislation will potentially put an end to junior wages in this country because of a clause that says there cannot be any discrimination against any person on the basis of age.

If that is challenged by a young person there will be a cessation of employment of young people in a whole range of professions throughout this country. Secondly, all those young persons who are currently employed could legally have their terms and conditions of employment negated; they would be put on adult salaries, which would throw a lot of them out of work.

What the government has tried to do in Victoria is to introduce a system whereby mature men and women can, if they wish, enter into contracts with each other under terms and conditions as they see fit. Thirdly, they can enter into an arrangement utilising an agent, and the agent may be a union, if they select one, or it might be a private negotiator.

The government is trying to introduce the sort of flexibility that exists in other countries around the world.

Mr KENNETT — The honourable member for Pascoe Vale is continuing to interject. The federal government is about to guarantee that people employed on our wharves in the stevedoring industry should have preference over others for employment.

Victoria is about to see the greatest closed shop ever introduced into this country which will throw industrial relations back 100 years. The reality of the situation is simply this: that the Prime Minister is calling on the states to embrace the Hilmer report, which argues very strongly for competition and for the freeing up of some of the rules and regulations, but it does not apply to the trade union movement, so while the federal government — —

Honourable members interjecting.

Mr KENNETT — Yes, it applies to the bar. The whole point of the Hilmer report is to look at the legal profession and, as you would know from advice that you receive from those on your right hand, Mr Speaker, it does not apply to the union movement.

I can only say that the honourable member for Pascoe Vale’s comments tonight are hypocritical in the most extraordinary way because on the one hand he supports the Prime Minister’s call for adoption of the Hilmer report and for increased competition, but on the other hand he does not support the introduction of contracts on either an individual or collective basis. Further, he obviously supports the new restrictive policies that will come into place from 31 March and which will have the most devastating effect on employment in this community, particularly upon young people. There will not be a mother in this state or in this country who has a young son or daughter employed in either a full-time or part-time job who will not be fearful for her son’s or daughter’s future employment. It is without a doubt the most draconian piece of legislation this state has seen introduced and, as I said earlier, the honourable member for Pascoe Vale speaks with a forked tongue.

Mr JOHN (Minister for Community Services) — The honourable member for Bundoora raised the very important issue of respite care. There is no doubt that respite care is one of the most important issues in the area of disability services, and I am very proud to tell the house that we spend over $300 million every year in disability services. It is the
highest priority item and has the most money spent in the community services budget.

The government is concerned about people with disabilities and their families. Respite care is one of the most important aspects in the care of people with disabilities, especially those with intellectual disabilities. The honourable member for Bundoora tried to trump up a demonstration today and gathered a small group that marched to Parliament House — 50 out of 4 million Victorians! I have seen them all before.

The honourable member for Monbulk has worked very closely and carefully with me because he is most concerned about people with disabilities and about respite care for their families. He brought Ms Barbara Lloyd, who was accompanied by a group of people, to see me. I spent an hour discussing with them in the most intimate detail areas of respite care and how we could assist their families. They are paying about $6 a night for respite care — about the cheapest in the state.

We worked out that they were well served by the policies of this government. They left the meeting very satisfied. I can only think it is political opportunism for this woman — the honourable member for Bundoora — to lead her band of 50 and to say our policies on respite care are inadequate. I challenge that allegation.

In the short time this government has been in office it has reformed respite care. It is providing greater equity of access across the state for those with disabilities. More people have paid less for respite care since the reforms were introduced by the government. It is providing affordable respite care for those most in need. It is working with the major agencies and advocacy groups for the disabled to provide a good system throughout the state.

I inform the house that the action group for disabled children did not support today’s march of the band of 50! Other groups, including the St Paul’s School for the Blind and associations of parents of the visually handicapped told me they did not support today’s march.

The recommendations of the respite care review are in the process of being finalised in consultation with many groups. Agreement with the major advocacy groups has been reached on all the issues raised. It is expected that the 28 March meeting will accept the wording of the proposed recommendations.

The government has taken the issue on board and has introduced a most equitable system for respite care. It recognises the need for families who are dedicated to looking after their loved ones who suffer from disabilities. It is tragic that the opposition is so irrelevant that it proposes to gain cheap political points with a small band of 50.

Ms Garbutt interjected.

Mr JOHN — Be relevant!

Mr McNAMARA (Minister for Police and Emergency Services) — The honourable member for Morwell raised a concern about the use of capsicum sprays and the possible experimentation of sprays on inmates within the corrections system.

Mr Hamilton — On prisoners in police cells.

Mr McNAMARA — Sorry, on prisoners in police cells. That issue surprises me. I will investigate it with the Chief Commissioner for Police and report back to the honourable member.

Mr GUDE (Minister for Industry and Employment) — The honourable member for Dandenong North raised a matter for the attention of the Minister for Aged Care in the other place about the abuse particularly of elderly people in their domestic and confined settings, and about community visits.

I will refer the matter to the Minister for Aged Care. The honourable member for Dandenong North has long been associated with and concerned about the abuse of elderly people, and the minister shares the honourable member’s views on the matter.

The honourable member for Keilor referred to the participation of students on school councils, and I will direct that to the attention of the Minister for Education.

The honourable member for Benambra referred to the siting of a breast screening assessment centre in the Albury-Wodonga area. In his usual caring way, the honourable member demonstrated yet again his deep involvement in the community he represents. I will direct the matter to the attention of the Minister for Health because the issues raised make good sense. This matter should be discussed on a regional basis across both New South Wales and Victoria, particularly as the New South Wales government is also examining the same area. As the honourable member pointed out, this government has a
particularly strong commitment to breast screening for women over 50 years of age.

The honourable member for Altona referred to the repayment of loans by farmers, and I will refer the matter to the Minister for Fair Trading.

The honourable member for Footscray referred to funding for the Inner West Linkages program, an intensive care activity within the domestic setting. I will direct the matter to the attention of the Minister for Aged Care.

Motion agreed to.

House adjourned 11.02 p.m.
The SPEAKER (Hon. J. E. Delzoppo) took the chair at 10.05 a.m. and read the prayer.

PETITION

Maternity care

The Clerk — I have received the following petition for presentation to Parliament:

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled:

We, the undersigned citizens of Victoria, petition for the essential changes to the maternity care given in Victorian public hospitals.

1. Maternity care be extended to a minimum of five days, to allow lactation to be established, or ensure mothers are afforded the time and assistance required to make an informed decision on their feeding method.

2. Maternity care after a caesarean section birth be extended to a minimum of seven days.

3. The mother may apply for an early discharge, providing home support and domiciliary care are available locally.

4. Legislation be implemented immediately that provides the above changes to maternity care policy for all Victorian public hospitals.

And your petitioners, as in duty bound, will ever pray.

By Ms Garbutt (161 signatures)

Laid on table.

PUBLIC BODIES REVIEW COMMITTEE

Metropolitan Fire Brigades Board

Mr COOPER (Mornington) presented report of Public Bodies Review Committee on inquiry into Metropolitan Fire Brigades Board, together with appendices, extract from proceedings and minutes of evidence.

Laid on table.

Ordered that report, appendices and extract from proceedings be printed.

PAPER

Laid on table by Clerk:


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The SPEAKER — Order! The question is:

That grievances be noted.

Public housing construction

Mr LEIGHTON (Preston) — I wish to grieve about a number of issues which show that the Kennett government is mismanaging the construction of public housing and other government building works in this state. The evidence I will put forward today demonstrates gross maladministration by the Department of Planning and Development, fraudulent and illegal activities within the department and a blatant misuse of taxpayers’ money.

The activities I refer to are part of a developing culture in this state that follows in the tradition of...
KNF Advertising — it involves an inability to distinguish between public office and private gain. The evidence reveals a need for nothing short of a full and open inquiry. It shows, firstly, that the Department of Planning and Development has covered up criminal offences committed by builders and has refused to prosecute them; secondly, that the department itself may have broken the law and exposed the state to an expensive law suit; thirdly, that there has been clear maladministration by the department in the supervision of government works; and, fourthly, that subcontractors and building suppliers who have contracted with builders to supply goods and services for government projects are now suffering the financial fall-out of the department's maladministration.

The first case concerns Francis Nicolson Homes Pty Ltd, which has been engaged in the construction of public housing for the Department of Planning and Development. On 7 February 1994 an administrator was appointed to the company. The report of the administrator states that the company is in financial trouble:

It is apparent from the financial information available that the company has been trading at a loss for some time.

The report also shows that the company is clearly insolvent, with an estimated deficiency of $411 000, and cannot continue to operate. Creditors include Citibank Ltd for $189 000, Underwood Roofing Pty Ltd for $12 000, and Vrbas Cabinetmakers for $14 000, to name just a few.

According to the administrator's report, there are also allegations of fraud between the directors. One of the directors of Francis Nicolson Homes is a Mr Lawrence Mitchell, who has had difficulty registering houses built by the company with the Housing Guarantee Fund. He has continued entering into contracts using the name Francis Nicolson Master Builders. However, the administrator states in her report that Mr Mitchell believes he was acting as an agent of the company.

The administrator concludes by saying that, depending on the form of liquidation, creditors to Francis Nicholson Homes will get back between 2 and 28 cents in the dollar. Despite the obligation of the Department of Planning and Development to check the financial viability of companies before it awards tenders, the department has continued entering into contracts with Francis Nicolson. The 22 February 1994 edition of the journal Building and Construction reports that the department has signed a contract with Francis Nicolson Master Builders for the construction of two brick veneer residences at 33 McDonald Crescent, Boronia. This exposes the state and building suppliers to substantial financial risk.

There is also a link between the company, Francis Nicolson Homes Pty Ltd, and Spaceline Pty Ltd, the home building company that tragically collapsed in 1986, leaving many Victorian families with incomplete homes — building work to a total value of $7 million. The connection is that the managing director of Spaceline was a Mr Mort Mitchell. Mr Mitchell has invested funds in Francis Nicolson. His son is Mr Lawrence Mitchell, a director of Francis Nicholson. This is the outfit that the Department of Planning and Development has contracted with to build further houses!

The next case concerns Domson Pty Ltd of Geelong. The company is operated by Mr Robert Giesbers, who was originally an employee of the Department of Planning and Development and who used his position as a springboard into private business. Domson Pty Ltd has collapsed; it is in liquidation with a deficiency in funds of $341 000. The company's creditors include the Commonwealth Bank of Australia in the sum of $66 000, the Australian Taxation Office in the sum of $28 000, the Building Unions Superannuation Trust in the sum of $4400 and a whole host of building suppliers. For example, Andrew Dare Electrical is owed $24 000.

Despite doubts about the financial viability of Robert Giesbers and Domson Pty Ltd, the department continued to give him work, such as major maintenance work on the Norlane High School to the value of $300 000. The department said Mr Giesbers was all right when concerns about his financial viability were drawn to its attention. The problem was that the department checked only with the Construction Industry Long Service Leave Board. Employers currently do not contribute to that board because it has a surplus. If the department had checked with the superannuation trust it would have found that Robert Giesbers was so far behind in his payments that the death coverage of a number of his employees had expired.

The problem with Robert Giesbers extends from financial mismanagement to the covering up of criminal offences. Because of concerns about his financial viability, before issuing progress payments the department required him to submit statutory declarations stating that the subcontractors had been
paid. He submitted statutory declarations to that effect, but the department failed to check them. It was subsequently discovered that the subcontractors had not been paid. The statutory declarations were clearly false. Mr Giesbers is clearly guilty of perjury and is probably also guilty of fraud because he obtained the money under false pretences. When the matter was directed to the department's attention at a meeting in January the department said it would not prosecute, and in my mind that is covering up a criminal offence.

Robert Giesbers was unusual in that he employed a large part of his work force on direct wages. Some of the workers, such as the carpenters, did not have equipment, and the department had to buy equipment such as nail guns and compressors for them. When Robert Giesbers and Domson Pty Ltd went into liquidation, the liquidator moved to sell off equipment that was arguably the property of the department. I am told that two officers of the department were given first offer prior to the auction to buy back the equipment. I am also told that Robert Giesbers sent a representative to the auction to buy back his late model car and, as his representative was the only bidder at the auction, Giesbers got it back very cheaply.

Local people in Geelong tell me that Robert Giesbers is about to flee Geelong. My information, based on a company search, is that he was born in Holland, so he has another country to which he can readily relocate. Therefore the department must act quickly and launch prosecutions while it still has the opportunity to nail Robert Giesbers.

Another case that affects Geelong involves a local union organiser who reported to an inspector of the Department of Planning and Development, John Murray, that Daryl Gibbs of D and M Painters was paying his employees $8 an hour cash in hand, which was under the award rate and was designed to avoid tax. The only action taken by the departmental officer, John Murray, was to warn Daryl Gibbs of D and M Painters that the union was on to him and that he should cover up better. That is a serious allegation and shows that something is rotten with the department's Geelong office. The minister must launch a wide investigation into all these allegations.

I will outline a couple of key issues relating to DS and C Developments Pty Ltd. This is probably the most complex case. The company had been owned and operated by Mario and Rosalia Conte, but collapsed in October 1992. It had been undertaking a large amount of work for the Department of Planning and Development, particularly in housing, across a range of projects in areas including East Preston, West Heidelberg, Flemington, Sunbury and Mitcham.

When the company collapsed subcontractors were owed in excess of $2 million. Despite the Kennett government's insisting that in future it will not bail out subcontractors and that any liability is held purely by the builder to the subcontractors, the department told the subcontractors that it had withheld some $500 000 worth of payments to DS and C Developments and that if the subcontractors went back to work it would divert that $500 000 to them. They went back to work, but they did not get the money.

I have received legal advice that indicates that the department has engaged in deceptive behaviour and may have breached the Trade Practices Act. I call on the department to settle this case quickly with the subcontractors concerned rather than exposing the state to an expensive lawsuit.

The department justified its action to the subcontractors by saying it was not holding retention funds because various projects being constructed by DS and C were registered with the Housing Guarantee Fund. I have seen documents that seem to confirm that those projects were registered with the Housing Guarantee Fund. However, a freedom of information search, which specifically requested all documents relating to correspondence between the department and the Housing Guarantee Fund, failed to turn up any documents. Either the department has failed to lodge a claim with the Housing Guarantee Fund within the required six-month period, thereby exposing itself to further risk or, alternatively, it has breached its legislative requirements under the Freedom of Information Act.

The department's handling of the case goes from worse to shocking. When the department called for tenders to complete the work that DS and C had defaulted on, it told the tenderers to load their tender price so it would be possible to slip some money to the subcontractors. However, things went off track because five companies were invited to supply tenders, of which three played ball and loaded their tenders and two refused to do so. As a result, having colluded with the tenderers, the department then had to fudge the figures before the final contract was awarded.
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These matters raise serious questions about the administration of the Department of Planning and Development and about the development of a culture of corruption under this government with its KNF Advertising, Mount Stirling or Australia Air International. I have listed a number of failures by the government.

Mr Baker interjected.

Mr LEIGHTON — As the honourable member for Sunshine interjects, that includes the casino. It is no wonder when their political masters set the standard through matters such as KNF Advertising. They are left to do their own thing whether it is financial mismanagement, covering up criminal offences or, in some cases, probably committing criminal offences themselves.

The matter deserves a full and proper inquiry not only because officers of the state and public funds are involved but because of the human suffering involved. I am aware that extreme hardship has been caused to many subcontractors. I call on the minister to settle the case in the matter of DS and C Developments. I call on him to conduct a full and open inquiry.

Child abuse

Mr DOYLE (Malvern) — I am acutely aware of the derivation of the word ‘grievance’; some honourable members opposite will understand that it comes from the Middle English word for ‘injury’.

Mr Baker interjected.

Mr DOYLE — I am not happy to take my subject as a joke. In a moment the embarrassment of joking will be brought home to the honourable member for Sunshine — but then again, perhaps it will not. I cannot think of anything more injurious, more grievous than the sexual abuse of young children. If opposition members want to joke about that they stand judged by that. I do not believe they do see child abuse as any material for joking.

Last week I attended some of the key sessions of the First National Conference on Child Sexual Abuse. It was subtitled ‘Developing an integrated response to the prevention and treatment of child sexual abuse’. I was told at the conference — and it was later reported in the media — that 10 years ago the Royal Children’s Hospital attempted to organise such a conference. There were fewer than 10 registrations and the conference was cancelled. Last week’s conference had 500 participants, including professional carers, police, representatives of the judiciary, therapists and victims of child sexual abuse. Since attending the conference I cannot get the stories I heard out of my mind. Stories were told by legal practitioners, psychiatrists, psychologists, volunteer workers, the judiciary, media, social workers and the police. However, the stories I found most telling were those of the victims, or ‘survivors’ as they call themselves.

I thought a lot about what I wanted to achieve with my speech today, and there were three considerations. Firstly, that this matter is supra-political. Honourable members on both sides of the house are of the one mind: we abhor the abuse of the most vulnerable in our society. I hold that belief inviolate, and I know it to be justified.

Secondly, without minimising that abuse is happening, I want to praise the initiatives that have been taken, and they are heartening. I want to pay tribute to the Stand Up Victoria campaign conducted by the previous government. I shall address later the question of whether that campaign did enough and whether it has had a long-term impact.

I applaud the introduction of a single-tracking system. Although it may not be perfect it is certainly an improvement on the former dual-track system. I applaud the introduction of mandatory reporting. Although members on both sides of the house have expressed concern that the system is under strain, it is coping. The Minister for Community Services, Michael John, who is daily monitoring mandatory reporting, has advertised for an additional 60 positions to cope with the workload. The western region now has a zero case load, which compares favourably with an average 44 unallocated cases at any time in the past.

I applaud moves to an emergency front-line system for all forms of abuse. Victoria is the only state in Australia moving this way. I welcome any moves that will make the giving of evidence by children less stressful, including videotaping and audiotaping. I welcome the recent initiatives from the ministerial council in Perth to institute state hotlines to advise parents and children, to counsel offenders and to protect victims. I applaud the national education campaign that will complement the two campaigns currently operating in Victorian schools: Protective Behaviours, in primary schools, and Standing Strong, in secondary schools.

I encourage all schools to use them — unfortunately
not all schools do — because they are the best available programs.

I compliment the initiatives of the National Project on Gender and Violence to which we are contributing. I also applaud the introduction of support service initiatives for children, including accommodation.

Finally, also arising from the Perth council I welcome the initiative of the provision of additional resources for research into child abuse to ascertain what prevention programs work, and advise on what new ones may be necessary. I congratulate the federal Attorney-General on the amendments proposed to the commonwealth Crimes Act which will stop predators from undertaking child sex tours to South-East Asia, but I issue a challenge to the federal Minister for Justice to ensure that countries in that region provide ironclad guarantees that they will honour such legal agreements.

I particularly compliment the groundbreaking role of the Victorian Attorney-General, Jan Wade, who has introduced consecutive and indefinite sentencing and legislation against intimidation or stalking and has encouraged Community Council Against Violence task forces. Her work has redressed an imbalance and refocussed us on the victims' rights. It is important to acknowledge the initiatives taken in this area of abuse and commend them.

The third consideration I raise is the most crucial for me. In this parliamentary forum I want to speak for the victims — the survivors. My own reactions to their stories surprised me. I heard the story of a three-year-old girl with a sexually transmitted disease as a result of sexual abuse by her father. That story was so awful for me to contemplate that I wanted to say it could not happen in our society. I wanted to push its reality away from me. I wanted to deny that it could happen in a modern civilised society. But it did happen. Until we as a community listen to the survivors we will not do enough.

Angry Anderson’s comments at the child sexual abuse conference last week were widely reported in the media. He asked the community to take up the challenge of the Stand Up Victoria program introduced by the former government; to say and feel something; whether people were former victims or members of the community he wanted them to talk about the issue instead of ignoring it. Until we listen to the survivors we will not do enough.

Over the past week I have spoken to many concerned people — not only those who attended the conference. They strongly urged me to tell my colleagues; to tell the stories. Although it causes me some personal distress that is what I intend to do.

Today I want to tell the house about what it must have been like to be part of a family of four girls whose father made them choose from a tray instruments which he then used to genitally torture them. I want to tell about a father who abused his three daughters and one of their friends over 15 years; he even videotaped himself abusing his oldest daughter. I want to tell the story I heard at the conference about a two-year-old girl who was told by her abuser that if she ‘told on him’ he would cut off her feet and her mother would have to carry her around. Fortunately, that story had a happy ending — soon afterwards the perpetrator dropped dead.

I want to tell about a victim who was asked by her psychiatrist about where she would feel safe. She described herself in the middle of a flat ocean in a boat, seeing all the way to the horizon — with the boat filled with rifles, just in case. What is that girl telling us? She is saying that the only way she would feel safe would be if she were invisible — or somewhere where she did not exist.

I want to tell about the little girl who told her father that her brother was abusing her. In front of her the father beat his son to a bloody pulp, and that night, without a word, he entered his daughter’s bedroom and raped her. I want to tell a story, which is perhaps the most distressing to me, about a nine-year-old girl who was tied to a tree so that throughout the night her father’s accomplices could come out from behind the nearby trees at unpredictable intervals to rape her.

Finally, I want to tell about the eight-year-old girl who was abused by her step-grandfather and who had to identify, in a plastic bag, the implement used to abuse her over four years. I think about that little girl because when it was all over she asked the court network volunteer, ‘Do you think my granny will
still speak to me?' I wish I had that little girl's forgiveness in my heart. I do not.

I have serious concerns about how we face this problem. I express concern about the interplay between intervention, prevention and protection strategies, especially when some offenders are so dangerous that psychiatrists tell us the only way the community can be protected from them is by removing them from society and future possible victims. What should we do about that?

What should we do about coordination of efforts? This issue crosses all portfolios, all sections of our community and many professions, and it touches all systems of our society. Do we understand how we can make workers in these areas complement each other's work? Do we treat the issue of child sexual abuse as we did the epidemics of past decades and institute a concerted attack in order to overcome the problem? It has given me great heart that everyone to whom I have spoken is prepared to help. When I spoke to the Minister for Community Services his vehement reaction was, 'We will not rest'.

As I reach the conclusion of this speech I do not quite know what to ask for or what to say. Perhaps I can offer some simple ideas and pose questions. Can we do something more? If so, what is it? Is there something I can do? Those people with expertise or honourable members who have been members of this house longer than I have only to tell me what it is and I will do it.

I wish this were a better speech. I wish it were more eloquent and strong enough to do justice to the stories I have heard over the past week. It is not. All that remains is my personal pledge to my colleagues and to the community that I will listen and I will work to do something. I ask though, can we all do something together?

Honourable Members — Hear, hear!

Community Support Fund

Mr SERCOMBE (Niddrie) — Before I raise my grievance, I acknowledge the contribution from the honourable member for Malvern. He has certainly touched on a most sensitive and important issue facing the community. All members of the house would wish to see opportunities explored to find ways that such a serious social problem affecting both girls and boys can be addressed. The problem must be addressed by the whole community, and it is one that the Crime Prevention Committee is currently investigating. The honourable member for Malvern, the honourable member for Cranbourne, who is also in the chamber, and I are members of that committee. We hope we will soon be in a position to present a report to Parliament on the responses that are needed in a multifaceted way to deal with such an important social problem. The honourable member for Malvern made an excellent speech.

I raise another pressing social problem; it is not so prevalent within the community as the last matter raised by the honourable member for Malvern, but it is nonetheless a major social problem. I refer to the problems that arise from gambling. In recent years both parties have supported the expansion of gambling opportunities in Victoria; I have supported it and I do not resile from that. However, the former Labor government provided for a Community Support Fund in the Gaming Machine Control Act 1991. Section 138(4)(c)(iii) provided that not less than 70 per cent of moneys raised by the operation of electronic gaming machines in hotels should support and assist families affected by gambling. It also provided for:

... the provision of financial counselling services, support and assistance for families in crisis or programs for the prevention of compulsive gambling or for the treatment or rehabilitation of persons who are compulsive gamblers;

Early last year the government watered down those provisions by amending subsection (4)(c) to omit 'not less than' so that the subsection now provides for only '70 per cent of the remainder'.

The annual report of the Victorian Gaming Commission for the year ended 30 June 1993 reveals that more than $13.5 million was collected for the Community Support Fund and that the first allocation made from the fund was for $7 million, which went to the operating expenses of the commission. The minister then approved the expenditure of $4.2 million for a range of other purposes, which I will refer to later. However, at this stage not one brass razoo of the $13.5 million has been allocated for the families of addicted gamblers.

At the end of last year $2 million of the hypothecated resources provided for under the act were not allocated. I am told that for the nine months of this year $16 million is available for allocation yet not one brass razoo has been given to provide services for gamblers or their families.
The government has made all sorts of political plays on this matter. Just before the last state election the then Leader of the Opposition grandstanded in an article in the Herald Sun headed 'Pokies to help kids', promising that $6.5 million would go to government and community programs for women and homeless kids. The reality is that only $1 million has been made available from the fund for homeless kids and nothing like the amount promised has been allocated, and the problem continues.

The Geelong News of 22 March quotes Brother Trevor Parton of Saint Augustine’s Adolescent and Family Services as saying that a 40 per cent cut has occurred in residential services for that agency which helps young homeless people and that a last-ditch effort to save the program is unlikely to succeed. The money to address those social problems is available, but the government is simply not using it. In a moment I will refer to the things the government has used the money for.

The hypocrisy of government members is mind boggling, especially considering some of the contributions made to the debate on the establishment of this fund in 1991. How things change, or perhaps don’t change, is interesting. The then shadow Attorney-General was primarily concerned about whether the minister of the day had a conflict of interest in handling the bill because she was worried that the funds might go to the arts portfolio. Never a truer word was heard, because now some of the money is being spent in that way by the current minister. The current Minister for Sport, Recreation and Racing was more humane than the Attorney-General; in his contribution to that debate he referred to the social problems that would result and the fact that the fund was being established to address those problems. Also in that debate the clown prince of Parliament, the honourable member for Mordialloc, was not particularly concerned about social problems; he was concerned about whether the money would be wasted.

A couple of good contributions were made by other coalition members, including the honourable member for Bulleen who referred to the social effects of gambling and the need for the fund to be used for the purpose for which it was established. The only amusing thing about the contribution of the honourable member for Bulleen was when he said he was not a gambler because he worked too hard for his money; some of us are still waiting to see evidence of that.

The honourable member for Glen Waverley also contributed to the debate and referred to families of gamblers often being the poorest members of society. The honourable member for Glen Waverley has not explained why the government is not spending the money hypothecated for that purpose. In another place the Honourable James Guest specifically acknowledged that the function of the Community Support Fund was, among other things, to ensure that money was available to deal with family problems arising from compulsive gambling. I repeat that not one brass razoo has been spent for that purpose.

Where has the money gone? Nearly $7 million has gone to pay for the budget of the Victorian Gaming Commission. Even the minister’s office is being financed with money which should be going to people with compulsive gambling problems and their families. Questions need to be asked about why $7 million is needed for that purpose. The hypothecation of money is not providing the incentive needed for the efficient and lean operation of a body such as the Victorian Gaming Commission. Why does the minister’s office need to be included in the $7 million from that fund?

The house should also question whether both the gaming commission and the Casino Control Authority are necessary. The regulation of gambling may be costing far too much and pressing social problems that arise from gambling need to be addressed. Where is the money that should be going to street kids or people with compulsive gambling problems? It appears that $690 000 is going to the Victorian State Opera. My wife, who is something of a music buff, has tried to introduce me to various forms of culture, with mixed success. I enjoy going to the opera occasionally, but I believe I should, generally, pay for it. It is not a pursuit that the ordinary working man or woman can normally afford, and spending $690 000 on the Victoria State Opera rather than solving social problems is questionable. I know what my priorities are and they are not the same as the minister’s.

Ski Victoria is also receiving $600 000 from the fund. Once again that is a laudable move by the government, but given the intention of the act to ensure that adequate resources are allocated to deal with social problems that arise from the activities of compulsive gamblers, the government priorities are inadequately directed.

The Victorian Council of Social Service, the Financial Counsellors Association and the Children’s Welfare
Association have had numerous discussions on ways to access the fund. A range of organisations, including the Geelong Financial Counselling Service, have a significant backlog of problems, but they cannot get a brass razoo from a government fund designed specifically to meet their purposes.

The Southern Financial Counselling Service and the Reach out for Kids service in Knox require assistance. I note that the honourable member for Knox is in the chamber; he should acknowledge that the Reach out for Kids service is in need of funds. Other services in need include the Ballarat Financial Counselling Service, the East Bendigo counselling service and the Windemere agency, which services Dandenong and Cranbourne.

These agencies are in the front line and are providing excellent financial and counselling support services for addicted gamblers and their families. But they are being starved of funds at the same time as funding is being allocated to the Victoria State Opera and skiing activities — as well as to a gaming bureaucracy that is chomping up $7 million. The government’s priorities are wrong. It is vital that Parliament come to grips with the issue.

I also grieve about the extreme difficulties being imposed on clubs and organisations by a recent amendment to the Casino Control Act. The Geelong Football Club commenced using the term ‘casino’ — in its case, the Cats Casino — in August 1992, a long time before the government conferred a monopoly right over the use of the term. As from May, organisations like the Geelong Football Club, which have paid out considerable sums to finance their casino operations, will lose money because of the need to reprint stationery and other associated costs.

When the amending bill was debated last year the opposition moved an amendment to allow organisations like the Geelong Football Club that were using the term ‘casino’ prior to March last year — that is, prior to the monopoly right being conferred on Crown Casino Ltd — to continue to use it. Because of the disgraceful way the government runs the business of the house the amendment was not even debated and the bill was guillotined in the early hours of the morning. The community is now suffering because of the failure of the government to address a real problem.

If the government is not prepared to re-examine the issue, as I suspect it is not, at the very least it ought to compensate organisations that have been affected by the amendment to the Casino Control Act for the losses they will incur by not being able to make use of the term ‘casino’.

**Jobskills program**

Mr FINN (Tullamarine) — I also congratulate the honourable member for Malvern on his comments. It is very hard for me to make the comments I wish to make given the importance of the issue raised by the honourable member. I wish him well. All honourable members and people in the community who are actively fighting child abuse in its various forms also wish him well.

I grieve about three matters, the first being a problem I have had with the Jobskills program, a federal government-funded program that provides incentives for employers to take on young people for job-skills training. Each trainee receives a gross wage of $280 a week for 26 weeks, a total of $7560. Each receives 33 days off-the-job training and 19 days on-the-job training. The objective is to improve the long-term employment prospects of participants by broadening their experience and equipping them with new skills.

The criteria of the program are as follows: the participants must be aged 21 years or over, be unemployed for 12 months or more, and be in receipt of a social security benefit. The positions they undertake must be additional to existing positions and they must not be substitutions for regular employees. Positions are provided only in the public sector or in non-profit organisations, and there must be union agreement for the participant training programs.

In July last year the Southern Calder Jobskills project wrote to me asking whether I was interested in participating in the program. Because unemployment is a severe problem in the north-west of Melbourne I decided that we should do everything possible to cooperate, which is why I said we would employ a young person according to the criteria. The Southern Calder Jobskills project initially wrote to my office in July last year after I had expressed an interest in job-skills training. I was required to fill in a job-description and application form, which I was required to forward to the project centre by 2 August 1993. I was told that the short-listing of applicants would follow shortly thereafter. I was subsequently informed that my application had been deferred because of lack of funding during the July-December period.
In December 1993, just four months ago, I was asked to forward further information. My office complied with the request and forwarded the same information it had sent in July. Nothing had happened for five months, and it appeared that the earlier information my office had forwarded to the centre had disappeared.

Because of the inordinately long delay, in February I contacted the Department of the House Committee to see whether other members were involved in the project. I was informed that the honourable member for Bundoora was the only other member of Parliament employing a young person under the scheme, so I did not believe the precedent was a problem.

In the middle of February I was informed by the Southern Calder Jobskills project that funding for the position in my office would not be approved. I was told that the State Public Services Federation disapproves of the funding of Jobskills positions with Victorian members of Parliament because of the coalition government’s decision to reduce the number of full-time electorate officers in each electorate from 2 to 1 soon after it was elected. I was informed that the federation’s disapproval applies to all members of Parliament. I was also told by the spokesperson for the Southern Calder Jobskills project that she had not mentioned that I was a member of the coalition government.

It is obvious that the federation is using its influence with the federal government to ensure that funding for the position will not be approved. Even though funding was approved for a position in the electorate office of the honourable member for Bundoora, it has not been approved for a member of the coalition. If people believe that is a coincidence, they are kidding themselves! The unofficial reports I have received show that the disapproval results from a blatant political decision by the federation, which is in cahoots with the federal government.

That is disgraceful. A young unemployed constituent who thought she may be able to get a job for a short time in my office was sold down the drain. She was left hanging for months and then hung out to dry by a combination of the State Public Service Federation and the federal government. That coalition of interests is disgraceful; those bodies should get their acts together. The federal minister should immediately examine whether this grave injustice can be rectified in the not-too-distant future. In this case politics has ruled over commonsense and common decency. Common decency is not something expected of some of the state’s more radical trade unions or the federal government.

Keilor City Council

I must bring the house up to date with the activities of my friends on the Keilor City Council. I note that the Deputy Leader of the Opposition is highly amused by this; he has a close and warm relationship with many of the councillors on that particular council. The Keilor City Council is in the process of putting plans together for its municipal offices. I am told these will be absolute rippers. The agenda of a Keilor council meeting on 15 March lists a number of planning processes for the municipal office. It includes a computer room fit-out and data cabling, an acoustic consultant, a public information phase and audiovisual design. That is a straightforward and normal process for a building of that kind.

Why, then, has the building’s planning been declared confidential by the council? The bottom of the agenda contains the words: ‘Confidential reports on these matters were separately circulated to all councillors’. Given the degree of rumour that flies around about the Keilor City Council, what has it to hide? Fortunately, I will be having a meeting this afternoon with the mayor who, I must say, is a vast improvement on his predecessor.

Mr Sercombe — He is a Labor man.

Mr Finn — I do not know whether he is a Labor man, but he seems to be considerably more personable than his predecessor who I can quite honestly say is certifiably mad.

Mr Sercombe — He is Liberal.

Mr Finn — I do not think you will find that he is. He told me he will run against me at the next election and put me last. That will be enough to get me across the line! The ratepayers and residents of Keilor are being kept in the dark and the Minister for Local Government should approach the council to find out exactly what it is on about.

The Keilor council is a fascinating body. An article by the well known and respected journalist Mark Devine appears on the front page of this week’s Community News. It best sums up the activities of the Keilor council:
Keilor councillor John Pascuzzi has accused four fellow councillors of voting against himself and Cr Ortisi regardless of the issue.

Cr Pascuzzi named councillors Bill Reeves, Cheryl Hildebrandt and Dorothy Costa from the Doutta Galla-Tullamarine Ward and Bernadette Smith from the Maribyrnong Ward.

Cr Pascuzzi went on to say:

These councillors need to get their act together and become more professional ... I can imagine how ratepayers must feel when they see what goes on at these council meetings.

One cannot begin to imagine! The mind boggles.

‘If Sam Ortisi and Andrea Surace (fellow Niddrie Ward Councillors) did not speak at council no-one would.’

Given the contributions of those particular councillors perhaps we would be better off if no-one spoke.

Cr Pascuzzi’s comments stem from a fiery dispute at a council meeting last week over the number of councillors who should be sent to a conference in Canberra.

Having spoken to a number of residents in Keilor, it is their suggestion that all the councillors should be sent to a conference in Canberra and left there!

Arguments continued after the vote was taken, when Cr Reeves said to Cr Ortisi: ‘You cry like a spoilt child if you don’t get your own way’.

Cr Pascuzzi replied to Cr Reeves: ‘If you haven’t got what it takes, why don’t you step outside?’.

That is the line of the year!

Cr Pascuzzi later said he meant Cr Reeves should leave the room when a vote was taken on an issue he was not clear on.

Mr Sercombe — Did he threaten you at the Keilor Gift?

Mr FINN — I will get to that in a moment. If Cr Pascuzzi expects us to believe that is what he meant, he must also expect us to put money on Dermott Brereton to win the Brownlow Medal. It is quite ridiculous. That is the problem in Keilor.

The Deputy Leader of the Opposition alluded to an incident at the Keilor Gift. I had been invited to attend that wonderful event by the Keilor council, but Cr Pascuzzi approached me and abused me in vile terms using language with which, generally speaking, I am not acquainted. It was language that I would certainly would never use in this house. As you can see, Mr Acting Speaker, a major problem still exists with the Keilor council; one can only hope it is sorted out very soon.

Leader of the Opposition: place of residence

I direct the attention of the house to a further article in the Community News by a well respected columnist, Rick Edwards. It states:

A tradition has continued in Broadmeadows. The former state member for Broadmeadows, Jim Kennan, always copped a bit of flak for living outside the electorate in Ivanhoe.

Well, it seems not much has changed as the man who has replaced Mr Kennan as Broadmeadow’s MP and opposition leader, John Brumby, also lives outside the electorate.

Mr Brumby has moved into Strathmore, which falls under the electoral boundaries of Essendon.

One cannot blame the opposition leader for that. I have defended him because if I were in his position I, too, would want to be represented by the honourable member for Essendon! He has no doubt heard of the excellent work carried out in the electorate by the honourable member for Essendon, and has since moved to Strathmore. He has given up the delights of downtown Dallas, of Upper Coolaroo and of Campbellfield Central. He has given up the midnight strolls through Ohlson Place. In his newly acquired mansion in Strathmore it must be difficult for the Leader of the Opposition to wake up to the noise of Volvos, Mercedes and BMWs.

The people of Broadmeadows must be forgiving; they must understand the sacrifice the Leader of the Opposition has made to live in Strathmore. After all, it is so far removed from the people of Broadmeadows that it is not funny. The opposition leader has seen the light and has jumped on board. He said, ‘The honourable member for Essendon is the man for me’ and moved into Strathmore. I say, ‘Good on him!’.
Discrimination against lesbians and gay men

Ms MARPLE (Altona) — Discrimination and violence against lesbians and gay men in our state is a subject that causes me to grieve. It should also cause society to grieve. I acknowledge and thank the honourable member for Malvern for his contribution. I think we were all moved; honourable members on both sides of the house have a great understanding of the violence towards young people and his remarks are a valued contribution to the issue.

In exploring violence and discrimination against lesbians and gays in Victoria I shall suggest what we can do both as legislators and members of society to rectify the terrible blight that eats away at the community. I refer to three recent reports. The first is Not a Day Goes By, a report on the Gay Men and Lesbians Against Discrimination (GLAD) survey into discrimination and violence against lesbians and gay men in Victoria, which was written in February 1994.

Another report by Gail Mason for the Australian Institute of Criminology headed Violence against Lesbians and Gay Men is dated November 1993. Last year the Scrutiny of Acts and Regulations Committee reviewed the Victorian Equal Opportunity Act and made recommendations in this area. I will use some of the anecdotal statements given in response to the GLAD survey to paint a picture we often close our eyes to, but the words of the victims open our minds and cannot leave us unmoved. Their words demand that we act as legislators and show some leadership in bringing about a change of attitude and behaviour in our society. I shall use their words to point out the discrimination at work, in the medical, education and housing areas and through violence in the streets. I will then turn to some of the statistics produced by the reports.

Respondent no. 234, a gay man aged 43 years, says:

I was admitted to hospital with epidermitis. I told one doctor I was gay as I feared I had contracted an STD. This doctor spread the word about my sexuality and I received very slapdash and openly discourteous treatment and also, I suspect, unnecessarily rough and painful examination of my genitals.

With regard to violence on the streets, respondent no. 154, a gay man aged 20 years, says:

In 1987 I was waiting for a train at Flinders Street Station. I was attacked and punched by a group of five youths. Rail staff refused to help. The offenders were allowed to board a train and leave. I was left with a bruised face and arms, a bloody eye and a fat lip. Onlookers ignored the incident.

There are numerous examples under the headings of education, housing and so on that I could use. This is not a pretty picture and certainly not one of which society should be proud. Some of the cold, hard facts reported in Not a Day Goes By were taken from a survey of 1002 respondents, 492 of whom were women and 510 of whom were men.

It is important to examine the major findings of that survey. In employment, 45 per cent of lesbians and gay men reported some form of discrimination or harassment, including loss of jobs because of their
sexuality. In education, 29 per cent of lesbians and 26 per cent of gay men described problems, especially harassment and being given anti-gay or anti-lesbian material. In the medical area, 17 per cent of lesbians and 16 per cent of gay men reported inadequate or inappropriate treatment or breach of confidentiality.

The worst problem area is public violence, where 70 per cent of lesbians and 69 per cent of gay men reported being verbally or physically abused, threatened or bashed in public places. As for the police, 22 per cent of lesbians and 33 per cent of gay men reported problems ranging from inadequate or inappropriate response by police, harassment and actual violence. In the services area, 41 per cent of lesbians and 25 per cent of gay men reported receiving inadequate service or being refused service on the basis of their sexuality.

The survey also suggests that lesbians suffer the double burden of discrimination by gender and sexuality and that both lesbian and gay men regard invisibility and self-censorship as pervasive and damaging forms of discrimination and that the more open they are about their sexuality the more likely they are to suffer discrimination and violence.

One area of discrimination difficult to place in any category was discrimination within organisations. Respondent no. 767 states:

People seem to think that our sexuality prevents us from making rational decisions and from working hard. If we were straight no-one would worry about the effect our sexuality would have on our work or our decision-making abilities.

Another area is invisibility. I believe the major issue of discrimination which should be recognised is self-censorship imposed by gay men and lesbians. It is reported at page 13 of the report on the survey that it is:

... their inability to express themselves or be themselves in public, or their fears of exposure and its consequences. In all 69 per cent of lesbians and 52 per cent of gay men agreed with the proposition that 'many gay people also suffer discrimination due to their sexuality not being acknowledged or recognised'.

It is a pity that I have only a few minutes left because there is no doubt that our society has much to do to rectify its rigid attitudes and to end the violence against lesbians and gay men. The report by Gail Mason states:

Crimes of hate are perpetrated against all 'minority' groups in Australian society ... The root of much prejudice is the inability to tolerate difference.

The report details experiences by gay and lesbian members of society and shows how important it is to tackle the foundations of the discrimination. In reviewing the Victorian Equal Opportunity Act the Scrutiny of Acts and Regulations Committee came to the conclusion that the act should:

... prohibit discrimination against a person on the ground of a person’s lawful sexual orientation/sexuality.

I recommend to the government the reading of the reports from which I have quoted and ask that we all take note of the matters I have highlighted and address the discrimination. The importance of the issue must not be watered down by any of the proposed legislation. We must not tackle the problem by simply increasing the penalties for those who perpetrate hate crimes; we must recognise that it is a social issue and work together to eliminate it. I draw on the conclusions of the report by Gail Mason that:

Australian society needs to signify its condemnation of all forms of violence motivated by prejudice. Institutions, customs and attitudes which sustain and perpetuate intolerance towards difference among members of our society must change. The elimination of violence against lesbians and gay men centres on the eradication of anti-homosexual bias and rigid gender norms which permeate Australian culture.

We should follow the recommendation of the GLAD report that the Victorian Parliament amend the Equal Opportunity Act to include the ground of sexuality and presumed or imputed sexuality. And we should institute education programs directed at making the act understood and followed by employers, educational institutions, housing and service providers and other bodies covered by the act.

Youth unemployment

Mrs HENDERSON (Geelong) — I am pleased to follow the honourable member for Malvern, who made such a compassionate speech. We should feel proud to be part of this place when a member raises a sensitive subject in need of attention.

I grieve about the youth of Victoria, particularly in my electorate of Geelong. The previous government
left a sad legacy to Victoria's young people, who have lost a great many opportunities. Labor's mismanagement of the state directly contributed to the low morale young people have had in recent years, and it is of particular concern to me. I believe the mismanagement of the previous government is responsible for placing them in this enormously difficult situation.

When I was elected in 1992 there was a real sense of hopelessness among young people. They had no sense of direction; they felt rudderless and received no leadership from the government. In the 18 months since the Liberal Party was elected the opposition has made an art form of the word 'negative'. Instead of making a contribution to the recovery that is clearly evident in Victoria, the opposition still has the attitude of doom and gloom that it had when it was in government. I cite a prime example. This morning the honourable member for Morwell gave notice of a motion which states:

That this house condemns the Minister for Youth Affairs for cutting totally funding to the Barwon Youth Information Service which has resulted in less information reaching young people in the Barwon area who are in desperate need of advice and support.

Mr THOMSON (Pascoe Vale) - On a point of order, Mr Acting Speaker, the honourable member is anticipating debate, which is in breach of standing orders. When the debate occurs the honourable member will be able to discuss the matters raised in the notice of motion.

The ACTING SPEAKER (Mr Cunningham) — Order! The motion is not on the notice paper so I believe the honourable member is in order. There is no point of order.

Mrs HENDERSON (Geelong) — Thank you, Mr Acting Speaker. The motion highlights my point that the opposition has a negative attitude, particularly in the area of youth affairs. If the honourable member for Morwell had cared to consult the honourable member for Geelong North, who is the shadow spokesman for youth affairs, he would have been told that funding for the Barwon Youth Information Service has not been reduced and that the funds that were provided have been transferred to the Barwon Adolescence Task Force or BAT Force, the peak youth body in Geelong. This government is absolutely committed to providing information to the young people of Geelong.

The funding for the task force includes $30 000 to develop and implement a young persons peer-based information project, which was conducted briefly by the Barwon Youth Information Service. Again, this highlights the lack of research and attention to detail that was commonplace under the previous government. The level of funding has remained. It is vital that young people have information about youth services, and we are committed to that with the transfer of funding to other organisations. The previous government's funding for youth services in the Geelong region totalled $185 000. Funding for the Geelong region has been increased this year — contrary to the comments that have been bandied about — to $219 046, which is a demonstration of the government's commitment to youth programs.

Young people need leadership, direction and an environment of confidence. They need confidence in themselves. The government is sending out positive messages to young people and creating a private sector environment that clearly states that this government is pro-business and can offer opportunities to enable young people to get back into the work force. The whole community needs to be involved in providing opportunities for Victoria's youth.

I am delighted that the Geelong community is involved in youth affairs. Within the next week or so the Minister for Youth Affairs will be announcing the establishment of our new community youth council. I am also delighted with the involvement of the community and the business sector in the youth council.

The community will work with the government, youth officers and those who fund programs to provide hope and opportunity, which will enable young people to grow and develop and become good citizens. I take this opportunity of acknowledging the great work done by our youth workers in Geelong; and in particular I acknowledge the commitment of the private sector to our young people. I am excited about private sector backing and community involvement in our new regional youth council.

The government recently announced total funding of $4.1 million for youth programs. The most important thing about the administration of youth programs is that funding is not directed towards producing glossy brochures, as has happened in the past. Some of the funding will go to programs under which youth officers and youth workers are responsible for pursuing reconciliation where family
breakdowns have occurred. That is an important task.

Our first responsibility and the initial thrust of those programs must be to reunite families wherever possible, particularly in the International Year of the Family. Reconciling dysfunctional families is the most responsible thing a government can do because, as all honourable members know, the family is the cornerstone of our society. All honourable members should focus on how best to strengthen the role of the family and, in particular, on the problems faced by young people. There is strong support for the direction the government is taking in its delivery of youth services.

I quote from an article entitled 'Rescuing shipwrecked youth', which was published in a recent IPA Review:

In the last year, the Victorian Minister for Youth Affairs, Vin Heffeman, has, to his credit, set about reforming his state’s policy on youth homelessness. He has incorporated a family impact statement into application forms for government grants to youth-work agencies. This statement requires applicants to describe how they go about resolving the breakdown of relationships between the young homeless person and his or her family; and how they intend to involve families in significant decisions concerning their children.

Mr Heffeman has also stated his intention to introduce case management plans for the young homeless. At present young people may drift haphazardly between several agencies. Developing a case plan for each young person will involve coordination and exchange of information among agencies, and systematically monitoring the young person’s progress.

He has also announced his intention to establish an inquiry into the selection and training of youth workers.

All of these are worthwhile measures from which other states could learn.

That IPA Review article says it all. The minister and the government are absolutely committed to the reconciliation of families that have broken down. Family impact statements will be of enormous benefit in bringing dysfunctional families together. In this International Year of the Family members on both sides of the house should be working together to find employment for our young people and to strengthen and enhance their family lives.

As the article says, other states are starting to look at how Victoria is delivering its youth programs. In my electorate there has been a marked improvement in people’s confidence in the way government programs are being delivered. A great deal of funding is being provided. For example, it is pleasing to see that Deakin University city campus will be funded to the tune of $23 million, and work will start on that shortly. Work is well under way on the rebuilding of the Gordon Institute of Technology, which will be funded to the tune of $14 million.

In recent weeks there have been increases in both retail sales and the number of new vehicles sold. There is growing confidence that, through its pro-business policies and its support of the private sector, the government is bringing employment opportunities for young people to our region. The private sector will give our young people employment opportunities and direction. If we can work together as a community and follow the new directions of the government’s youth policies, our young people will no longer be aimlessly wandering from one support group to another but will have firm directions to follow. I am confident that our young people have fine futures to look forward to.

Community-based employment

Mr THOMSON (Pascoe Vale) — I grieve about employment in Victoria. Under this government unemployment levels throughout the state — in Geelong and elsewhere — have been rising because of the policies that the honourable member for Geelong and her colleagues support. In particular, I grieve about the administration of the government’s community-based employment program.

The need to tackle unemployment in Victoria is becoming increasingly urgent. Under the Labor government Victoria led Australian employment levels for 60 consecutive months; but in recent months the gap between Victoria’s employment levels and the nation has widened ominously. Since October 1992 the government has been reducing public sector numbers, telling the community that is necessary until employment picks up again — but it has not picked up.

In one of those golden moments that he sometimes shares with journalists, the Minister for Finance confirmed what many Victorians already know: unemployment in Victoria is likely to stay at around 12 per cent for many months to come. The latest figures show that the raw unemployment figure for
Victoria is 13 per cent, the highest figure for Victoria for many years and much higher than those for other states.

Some 288,000 Victorians are out of work, so the number of unemployed is going up rather than down. While 39,800 new full-time jobs were created around the nation in the past month, full-time jobs in Victoria increased by only 600. During 1993 Victoria snared only 12,000, or 6 per cent, of the 200,000 jobs that were created, even though Victoria has 25 per cent of the nation's population. So Victoria has gained only 6 per cent of the new jobs that have been created, instead of the 25 per cent one would expect.

On the other side of the coin, Victoria has a disproportionate share of the nation's long-term unemployed. Victoria has 33 per cent of the long-term unemployed and 41 per cent of the long-term unemployed who reside in capital cities. So Victoria has a disproportionately high share of the nation's long-term unemployed and a lower share than it should have of new jobs. In addition, the work force participation rate is dropping. In December it was 63 per cent; in January it diminished to 62.6 per cent; and in February it diminished further to 62.4 per cent as people continued to give up their search for work.

Victoria's unemployment rate and lack of job prospects are among the principal reasons why Victorians are leaving the state permanently in such large numbers — an average of 145 each day — for interstate.

In September last year the Minister for Industry and Employment announced the Victorian government's principal employment scheme: the Community Based Employment Program. That program was said to be designed to provide vocational training places for unemployed Victorians, principally in three groups: the young, the middle-aged, and migrants from non-English-speaking backgrounds. The program uses community groups or consortia made up of different community groups to provide services for the unemployed. In this way the minister said the scheme would cut through red tape and deliver the service effectively, and groups were given until 29 October to apply to join the program.

The opposition supports and encourages community groups contributing to the fight against unemployment and wishes groups that have been successful in obtaining funding under the community-based employment program every success in their efforts at obtaining placements this year. However, given the delays that have occurred so far I believe good luck rather than good management will be required for this to occur.

On 1 February the Minister for Industry and Employment announced 39 successful groups from over 230 applications, according to his press release issued at the launch. The successful groups were to share $10 million of funding, with a starting date of 1 March. The minister's press release left no doubt that the duration of the program was 12 months by using such expressions as 'during its first year of operation' and 'each group will be monitored and then reviewed at the end of 12 months'.

Seven weeks after his announcement, however, the minister's program has stalled: only some of the groups have received their money, with none that I am aware of having received funds on or before the starting date. I understand that several groups are still to receive funding, and one at least will not receive it until the last days of March. So instead of cutting through red tape the program has apparently become tangled in red tape. One consequence of that delay is that some groups have had to borrow funds to pay for staff they have employed on the understanding given to them by the minister that the funding would commence on 1 March.

I shall give an example. According to the minister's press release, Benalla Employment Skills Training Inc. was to receive $333,076, but it will not receive its revised figure of no more than $277,563 until later next week — that is, at the earliest some eight weeks after the minister announced the funding and four weeks after it began.

Also of concern is that under the program none of the groups will receive the amount of funding announced by the minister on 1 February because the amounts listed in the minister's press release were for a 12-month period, as was implied in the text of the press release. However, the groups are receiving only pro rata funding up until 31 December. This means that many of the groups will be funded only for ten-twelfths of the total announced.

So, far from being a $10 million program, the Community Based Employment Program is looking more like a $6.6 million program. When the minister made the $10 million announcement on 1 February the figures in his press release added up to only $7.979 million. There was a small note which
indicated that a further $1.2 million would be announced in late February or March; however we have not heard anything further about this.

When I had a briefing with the minister’s officers and inquired about the distribution of the extra $1.2 million, or indeed whether it was going to be distributed, the minister’s department and ministerial adviser were unable to give me anything in the way of details. They said, ‘This is a matter for the government and for the minister’, and when I asked the very basic question — purely to ensure in my own mind that the whole process was kosher and that the minister was not using a whiteboard — whether a fresh round of applications would be invited for the extra $1.2 million or whether the minister would make further grants on the basis of applications he had already received, they said, ‘We don’t know’. That is something the minister will tell us’.

Mr Gude interjected.

Mr THOMSON — Perhaps the minister will tell us in due course. So in late February-March we have not heard anything further and the $7.9 million has now been reduced because of the pro rata nature of funding and it now comes in, at best, at only ten-twelfths of that amount: $6.5 million.

It would seem that with the scaling down of funding to individual groups there comes a reduction in target places, and a program that was going to provide some 9000 jobs and vocational training places will deliver substantially fewer places.

The concern of the opposition is that the program is indicative of a government which is half-hearted about unemployment — a social problem of the first order which its policies, as I indicated at the outset, have exacerbated.

Firstly, the minister has used the program to grandstand; he has released information which is not correct, and the opposition and the community are entitled to answers from the minister on why some groups still have not received funding after months of preparation in a program which was specifically trumpeted as cutting through red tape.

Secondly, why did the minister on 1 February announce a $10 million program of funding, of 12 months duration with a 1 March starting date, if he knew that the funding was pro rata and that the groups would not receive the advertised amounts?

Thirdly, is it the case that the placement figures have been scaled down from 9000 and, if so, when was the government planning to inform the Victorian community about that reduced target? The opposition also wants to know whether the program will continue next year and, if so, whether steps will be taken to ensure a more effective commencement.

I also express concern that the program is being supervised by Karen Synon, the first assistant secretary to the Department of Business and Employment, who has enjoyed a meteoric rise to that position — a rise which may or may not be associated with her Liberal Party membership.

Mr Gude interjected.

Mr THOMSON — I am most concerned because it has become apparent to me that the implementation of the program has been a shambles. We would not want that to be occurring as a result of people being inappropriately placed in these positions.

In theory the government’s community-based employment program is a legitimate attempt to address unemployment. It has involved some 39 community groups committed to doing all that they can in local communities to place unemployed Victorians into vocational training or jobs. No doubt those groups accept that there are performance guidelines and that the government requires them to fulfil certain conditions in order to receive the funds, but in exchange the groups have every right to expect that the government will live up to its part of the deal and deliver the funding in time. The minister and his office have had months to get the program up and running but what they have managed to do is to entangle it in red tape.

I note the recent report in the Daily Telegraph Mirror which stated that the New South Wales government is planning to establish a new ministry or cabinet committee and employ more bureaucrats to cut red tape. Perhaps the New South Wales government should hire the minister, because he is obviously becoming an expert in this area.

The program has suffered as a result of the clumsy implementation of the minister’s office. I hope that as the time arrives to measure the success of individual groups in the program the minister will be capable of doing the job properly and performing better than he has in the past.
Members of the opposition support the efforts of community groups in their fight against unemployment. We wish all groups involved in the program every success; but we oppose the minister and the government's policy of allowing the scheme — with all the potential it has — to become bogged down by sloppy and tardy administration. The government can do better!

Unemployment is the most important and pressing problem facing Victoria, yet the government is failing to take the action needed to rebuild the state. Over the past 12 months every other state has improved its employment situation by riding on the back of the emerging economic recovery. Every other state has a lower rate of unemployment. Victoria is the only state not participating in the economic recovery.

This program, which represents the government's only apparent response to unemployment, has become needlessly and unacceptably bogged down.

Grief counselling

Mrs ELLIOTT (Mooroolbark) — I congratulate the honourable member for Malvern on one of the most outstanding speeches I have heard in this house. On Saturday afternoon I attended a charity concert, at which the compere said it was better to hear light-hearted entertainment than to have to listen to self-serving politicians. There was nothing self-serving about the honourable member’s speech, and I hope his cry from the heart reaches the community.

Oddly enough, many contributions to the debate have centred on similar themes. During its years in power the former government encouraged a victim mentality. The honourable member for Malvern talked about the genuine victims of our society — those who fall through the net and feel great pain. Australia was built on a spirit of courage, independence and individual autonomy.

Mr Micallef — You sound like John Wayne.

Mrs ELLIOTT — Thank you! That spirit was largely eradicated during the years of the Labor government. A deficit-model of society gives people no hope for the future, no confidence that they can look after their own lives and no confidence that they can achieve their goals. That has been particularly noticeable in three areas.

During last year's school closures I noticed uncertainty and unrest among parents and students. One school, a primary school in my electorate, was closed. During that time, several parents telephoned me to say they wanted grief counselling for themselves and their children — and they wanted the government to pay for it.

It so happened that one parent rang me immediately after I had completed a conversation with a mother whose daughter had been killed in a school bus accident at Coober Pedy. She described graphically how her daughter had been crushed by the weight of the bus and how a schoolmate had had a leg torn off. Several other children were grievously injured. That mother had flown to the scene of the accident to identify her daughter's body. She rang me to inquire about the compulsory installation of seat belts in buses.

That was real grief. I could only imagine what that mother was feeling. It is totally out of court for people to request grief counselling simply because their children may have to go farther down the road — while remaining in the same area, with the same children and teachers. That is not real grief. That form of dependency on government is totally unacceptable.

Montrose Primary School

This year schools in my electorate are concentrating on being positive about what they can achieve. Montrose Primary School has just received a grant of $200 000 from the Minister for Education for major upgrades. I have been very concerned about the condition of the school since being elected to this place. The school is literally falling apart. During the 10 years of Labor government the school received not one dollar for an upgrade. As well as being shabby and cold, the school was becoming dangerous to the students.

The principal, teachers, parents and students are absolutely delighted that they finally have the money necessary to make their school, which is in one of the poorer areas of my electorate, a place parents will want their children to attend.

TAFE accreditation

Pembroke Secondary College, a new stand-alone Victorian certificate of education (VCE) campus in Mooroolbark, has embarked on an ambitious project to allow students to get stand-alone accredited TAFE certificates while doing their VCE. The decision to
give the college the autonomy to work with the
Outer Eastern College of TAFE is absolutely
outstanding. The college sees itself not as a victim of
government policy but as having been given
enormous opportunities to advance not only the
educational prospects of its students but also their
future employment prospects.

I have been closely involved in the evolution of the
scheme and hope to be closely involved in the
future. The scheme has given students in the area
immense heart because their employment prospects
will be much better than they were under the former
government.

Women in education

I turn to the notion of women being regarded as
victims. Many women are victims of sexual assault
and poor marriages, but not all women are victims.
Under the former Labor government, only 18 per
cent of women were school principals, and they
were concentrated in primary schools. More than
50 per cent of schoolteachers are women, yet only
18 per cent of them have achieved principal
positions.

When the Minister for Education concentrated on
the problem he thought, 'What can we do positively
to enhance women's self-esteem? So many apply for
principal positions but have little success'. Rather
than shaking his head and saying, 'Isn't that
terrible', he instituted the Women-in-School
Leadership program, which was held in Geelong
over a number of months. The response to the
leadership program was overwhelming; the number
of applicants could not be accommodated. The most
frequent comment was, 'Isn't it terrific that the
government is doing something for women in the
teaching service?'

What has been the outcome? Following the latest
round of selections, 30 per cent of women are now
school principals. Although that is probably
insufficient, women now have the confidence to
apply for such positions. Their skills in résumé
writing and interviewing techniques have been
enhanced by the Women-in-School Leadership
program, and I am confident that an overwhelming
number of women will apply to take part in the
vice-principal selection process.

I have never expected women to be appointed on
criteria other than merit. The government believes in
raising the self-esteem of people and giving them the
skills they need to apply for jobs. That aim is being
willingly pursued by the government.

ANCA Pty Ltd

The previous speaker, the honourable member for
Pascoe Vale, spoke about job creation, on which a lot
of money has been spent at the federal and state
levels during the past few years. Unfortunately,
participants have been employed only while the
money given to employers has lasted; once the funds
have run out, people have been cast back onto the
unemployment pile. The only real jobs are those
created by private enterprise; and private enterprise
will create jobs only when it has the confidence to
invest in the state.

Recently I attended the presentation of the
Qantas-Rolls Royce awards, to which I have referred
during other debates in this place. ANCA Pty Ltd in
North Bayswater makes precision-made tools for the
manufacture of computers. It has found niche
markets in Europe and South-East Asia — places
where, one would think, local companies would
make their own tools. The company encourages
young people by training them on the job under a
very intensive apprenticeship scheme. When I
attended the presentation of the Qantas-Rolls Royce
award by the Minister for Industry Services, I was
impressed by the quality of leadership the company
provided to its workers. The people on the factory
floor, who may never have the chance to visit the
countries to where the machines they work on are
exported, were included in the celebrations of the
award. Workers at that small enterprise in North
Bayswater have the palpable feeling of working
towards one goal. The principals of the company
informed me that they feel the government's policies
will encourage them to take on more employees in
future and will enhance their export opportunities.

ANCA is one of many companies at the industrial
estate at North Bayswater that has confidence in the
future and believes its ability to employ young
people will increase. That sort of confidence could
easily be eroded by a government that viewed
people as victims and said that things would never
get better and that no policies would work.

It is such a fragile area; we should be talking up
Victoria, not talking it down. The government needs
to give young people hope for the future and
encourage industries in the private sector to offer
jobs. It needs to support community-based
employment services. If money does not arrive on
the date it should, that is unfortunate, but the
initiative is there. One community-based employment service operates in my electorate and there is now an obvious sense of hope in the community.

Preschool funding

Lastly, I will talk about kindergartens, which have been through a pretty tough time. In fact, some parents find paying kindergarten fees difficult. However, an intensive analysis of kindergarten fees revealed that they now range from 50 cents an hour to approximately $1.80 an hour.

Last evening I spoke to the president of one of my local kindergartens about its fees being substantially higher than those of other kindergartens in the neighbourhood. I will work with that kindergarten in an endeavour to find out why that is the case. The availability of preschool education to everybody is a relatively recent phenomenon. Once kindergartens were established to help only underprivileged children get a head start in life. We cannot return to the past; people now expect their children to receive preschool education, and the fees being charged in Victoria are not outrageous when compared with those being charged in other states. If money is targeted to those people who genuinely need it rather than thrown to large groups of so-called victims, people having difficulty paying fees would be helped.

This government does not grieve for the past; it cannot bring it back. It cannot return to the time of The Man from Snowy River, Water Them Geraniums or The Drover's Wife; which are indicative of the spirit of independence that existed then. However, unless Australians carry on the spirit of being responsible for themselves and not blaming society or outside agencies for their failures, we will never advance as a nation, and Victoria will never advance as a state. We need to persevere with that spirit, not erode it, which is the consequence of the loose talk constantly heard from opposition members.

Wool sales

Mr LONEY (Geelong North) — I grieve for the Geelong wool industry and the people of the city as they once again face the imminent threat of losing all wool sales within that region as a result of Australian Wool Exchange proposals to centralise sales at one point on the eastern seaboard.

I raised this serious issue in my first speech to this house and have raised it subsequently. I refer to it again today because of the government's abject failure to act to protect the city's wool sales and to live up to the promises it made to the people of Geelong in October 1992 prior to the election.

From time to time the city of Geelong has faced the issue of loss of sales through centralisation. However, since 1991 the issue has gained strength following the threats becoming so serious that for a 12-month period Geelong lost some wool sales.

The centralisation at one point on the eastern seaboard is widely accepted by people within the industry. I do not argue so much against centralisation as I do against the fact that Geelong's significant role in wool sales is not being included as an option of centralisation in a number of ways.

I raise the issue today against the background that, prior to the election the present government made a firm commitment to the people of Geelong. It was stated in writing in the coalition's policy that, should it achieve government it would make Geelong the major wool selling centre in Victoria. I put it to the government that there is no other way of interpreting that specific promise than that. If there is to be only one wool selling centre in Victoria, according to government policy that centre should be Geelong. However, in spite of that promise, this government has done absolutely nothing to bring about that policy.

To make matters worse, a long line of public announcements by various members of the government have led the people of Geelong to believe that something would be done. However, earlier this week that myth was dispelled by statements made by the Minister for Agriculture who, in his honesty — on which I congratulate him — let the cat out of the bag about the government's inaction.

Geelong's wool industry is most important to that regional economy. It is an industry worth some $12 million and supports about 250 jobs. The loss of wool sales in the town would be equivalent to taking a major manufacturing industry away. However, it would go beyond having a negative effect on the regional economy; it would also affect the psyche of people living in the region. Geelong and the hinterland have traditionally been wool-growing areas. Indeed, Geelong lays claim to being the traditional capital of the Western District, serving the woolgrowers' needs throughout that region. It has long been held that the best Australian wool is sold through the Geelong wool sales. Every year the
Geelong superfine wool sales receive the best prices of the season.

Superfine wool marketers have traditionally sent their wool to Geelong regardless of where it is grown. Prior to the state election the now Minister for Agriculture volunteered the fact that he sells his wool through the Geelong sales. Given that background, the loss of the wool sales would be a great blow to the Geelong psyche. It would also be detrimental to the best interests of the wool industry.

Geelong has an established infrastructure for wool sales, which is cost effective, supported by the industry at large and for which there is an international market. A number of overseas makers of fine woollen garments label their wool not as best Australian wool, but simply with the mark ‘Geelong wool’. Makers such as Zegna and Pringle of Scotland label their garments ‘Geelong wool’, which says that it is the best one can get. Now there is talk of throwing away the Australian wool industry’s competitive advantage.

The proposals being put before the Australian Wool Exchange are extremely short-sighted and not well based. Mr Ken Mason, an officer of the former Geelong Regional Commission, which formed a subcommittee to fight this proposal, produced a report on centralised wool selling for Geelong. I was a member of that subcommittee. He said that the analysis by the Australian Wool Commission (AWC), as it was then, showed that savings to the industry for wool sold at the Melbourne centre was $1.99 in the bale; that the dual Melbourne-Geelong centre saving was $1.57 in the bale; but that the saving for the Geelong centre alone was $1.09. That is not a huge difference.

Mr Mason examined the matter further and established that there were some flaws in the AWC’s assumptions. Under the heading, ‘An alternative option for Geelong’ he said that the AWC analysis of the Geelong centre case said that it offered the best savings in show floor costs but was severely disadvantaged by the additional cost of sale attendance of $2.4 million per annum differential on the Melbourne centre case, which included a cost of $1.86 million per annum for buyer and AWC attendance at the Geelong centre sales. Mr Mason said that this was a flawed assumption because if the sales were moved to Geelong as the sole centre a significant number of buyers would move too and those costs would be reduced. If the figures are reviewed on that basis a sole selling centre in Geelong becomes the best option. The economic analysis showed at best only a marginal preference for Melbourne over Geelong. Mr Mason said that the alternative case for the centralisation at Geelong developed on the assumption that buyer and AWC staff would be relocated to Geelong providing almost the same benefit as the centralisation in Melbourne to the industry as a whole.

The third preference would be the development of a Melbourne-Geelong dual centre.

There is no cost benefit to the industry by totally rejecting Geelong as a wool selling centre. That has been supported by comments in a number of newspaper articles. The Weekly Times editorialised on that particular subject on 15 January 1992. It came to a similar conclusion that there was no need for the Geelong centre to be closed. Under the headline ‘Reconsider wool centre closures’ it says:

Geelong and Launceston have particularly valid reasons to remain as prime selling centres. Both have entrenched reputations as leading fine wool selling centres — reputations that have been cultivated through generations of hard work. Geelong also boasts the national wool museum, the world’s leading wool processing research facility at CSIRO in Belmont, vast wool stores, an excellent port and a proposal that may see a major European mill open soon at Lara.

I am pleased to say that that major European mill, Bremer Woll-Kammerei AG, has opened in my electorate.

Support for Geelong as a wool-selling centre is clearly established. If the so-called savings for not using Geelong are false it remains to be established what commitment the government has to its policy of maintaining Geelong as a wool selling centre. It appears that the answer is, absolutely none! I use the authority of none other than the Minister for Agriculture whose comments were reported in the Geelong Advertiser of 21 March. The article states:

The state government has not officially lobbied the wool sales chiefs to retain Geelong as an auction centre since its election in late 1992, Agriculture minister, Mr McGrath, said.

Mr McGrath’s comments apparently contradict statements made by the Premier, Mr Kennett, and local Liberal parliamentarians over the past 12 months.

In reply to this comment, the honourable member for South Barwon said that the minister would not know what is going on! The minister said that the
Premier had given him no instructions to lobby actively for Geelong since the state election, in spite of coalition policy saying that Geelong would be the major wool selling centre in Victoria under a coalition government, the matter being raised by me on a number of occasions, and the fact that if one had picked up a Geelong newspaper on any occasion over the past 18 months one would have found it was an issue. The government has done nothing!

The people of Geelong have been betrayed by the government, which has been shown to be hypocritical and to have double standards. The Premier has gone to Geelong on a number of occasions and said, 'Yes, I am doing it. We are lobbying. We are doing everything possible'. Earlier this week the minister let the cat out of the bag when he said that nothing had been done. The people of Geelong are entitled to a better deal. Wool sales should continue in that city. It is time for the government to adhere to the commitment that it gave to the people of Geelong or face up to the fact that it was simply a cynical vote-buying exercise.

Preschool funding: Knox

Mr LUPTON (Knox) - I wish to grieve about misrepresentations made to the people of the City of Knox and of the electorate of Knox concerning kindergarten fees. Last August the honourable member for Bundoola and then unemployed Leader of the Opposition-elect visited Knox. At a rally outside my office they told the many parents who gathered, as well as members of the rent-a-crowd who were already there, that fees in preschools in the City of Knox would increase by between $250 and $350 a year. That statement raised fears in the minds of many parents. Although there was no truth in the story they were spreading, and despite my efforts and those of the honourable members for Wantirna and Monbulk to talk down the misleading information, the opposition members persisted in pushing their line.

The truth is that as a result of the government's rationalisation, preschool fees in the City of Knox increased by $75 a year — nothing like the figures bandied about by the honourable member for Bundoola and the then de facto Leader of the Opposition. The two sets of figures are not comparable. Concerned parents became involved in the demonstration because the stories of large fee increases were spread by word of mouth and because of adverse publicity bandied about by the opposition.

Although it was stated categorically by representatives of the local council and coalition members of Parliament at a number of public meetings that fees would not increase by more than $80 a year, opposition members continued to fabricate the figures. An article published in the Herald Sun of 14 August states in part:

The opposition leader-elect, Mr John Brumby, rejected Mr Lupton's claim and said the minimum increase in Knox 'would have to be $250 a year'.

The Leader of the Opposition was so committed to his view that he is also reported as stating:

'I am prepared to put my parliamentary salary on the line, and Jeff Kennett's too for that matter, against the fact that preschool fees will increase in Knox'.

He deliberately misled the people of Knox and misrepresented the situation all the way down the line.

The honourable member for Bundoola visited the City of Knox last week and talked about preschools. I am sure she came away with a totally different view from the one she held previously because Knox is a leader in the state when it comes to preschool education. The opposition owes the people of the City of Knox an apology. What opposition members said was incorrect — it was a lie that should not be tolerated by the people of Victoria!

If the Leader of the Opposition and the honourable member for Bundoola insist on making defamatory statements they should be prepared to admit they are wrong when the time comes. When it became clear that the fee increase as a result of rationalisation by the government would be $75 a
number of people apologised for taking part in the stupid demonstration that took place outside my office at which the honourable member for Wantirna, the honourable member for Monbulk and I were accused of being liars — those people have had to eat their words. The people who are now the liars are the Leader of the Opposition and honourable member for Bundoora, who is flapping her trap all the time.

Ms GARBUIT (Bundoora) — On a point of order, Mr Speaker, I believe the honourable member just called two members of this house liars. I would like him to withdraw.

The SPEAKER — Order! The honourable member for Bundoora puts the Chair in an awkward position. To say that a statement is a lie is parliamentary; to say a person is a liar is unparliamentary. As I listened to the speech of the honourable member for Knox, he said that what was said was a lie. Previous Speakers have ruled that the word 'lie' can be used in parliamentary debates to refute and add weight to arguments. I do not uphold the point of order.

Mr LUPTON (Knox) — Although the honourable member for Bundoora takes exception, I will not apologise because the figure is here in black and white. The Leader of the Opposition was reported in the Herald Sun of 14 August 1993 as saying the increase in Knox:

... ‘would have to be $250 a year'.

The fact is that fees increased by $75 a year. There is no comparison at all. The honourable member for Bundoora will have to wear that. The opposition has made no attempt to withdraw the statements of its members about the way the City of Knox operates or the fees that are being paid. All the opposition wanted to do was denigrate the government over a long period and dramatically alter the truth.

The people of Knox are sick and tired of not being told the truth by the opposition. The local coalition members — the honourable members for Wantirna and Monbulk, and I — have the runs on the board. Had there been anything wrong or if she had not been happy, the honourable member for Bundoora would have raised the issue as a matter of concern after her visit to Knox.

Honourable members interjecting.
Mr LUPTON — It looks like I have hit a raw nerve. I am making a positive statement. The opposition did not tell the truth to the people of Knox. It deliberately distorted the figures. They were not correct and bore no resemblance to the final result or the truth.

The opposition stands condemned for the tactics it used in dealing with the preschool issue in the City of Knox and should be condemned by the house for its actions.

Preschool funding

Ms GARBUTr (Bundoora) — I grieve about what the government has done to preschools. It is ironic that my speech should follow the amazing piece of self-serving nonsense the house has just heard from the honourable member for Knox. What he left out tells the real story.

The SPEAKER — Order! Before the honourable member’s speech gets under way I point out to the honourable member for Knox that during his contribution to the debate he enjoyed the protection of the Chair and I will extend the same protection to the honourable member for Bundoora.

Ms GARBUTr — The house will be interested to know that Knox managed to close half a dozen or so preschools and increased the class sizes from 25 to 30 in those remaining. If Knox managed very well, which it has, credit is due to the Knox council and not to the government or the local members.

The honourable member for Knox has admitted that fees increased by $75 per year — during the course of his speech it got up to $80. But what he left out is as amazing as what he said. The government has come close to destroying our world-class kindergarten system. The government cuts and changes have altered the kindergarten system beyond recognition and have created problems that will not go away. The government has increased pressure and tensions for parents and teachers. It is time for the government to admit that from the beginning those cuts and changes were a mistake, that they could never work and that they are not working now.

The kindergarten system needs to be reviewed. It must be an independent review — not one full of the self-serving political nonsense we have just heard — away from politics that examines all the problems and issues and obtains input from parents, committee members, preschool teachers and local government to ascertain what impact the changes have had on them. We need a full-scale, independent review to examine where the system is heading before it is irretrievably lost.

While that review takes place the government should make available sufficient extra funding to prevent further closures. Many preschools did not reopen after Christmas and some of them are gone forever. Many preschools are struggling to meet their budgets and are worried about what will happen in the second, third and fourth terms, when parents will be expected to front up with fees and funding shortfalls get bigger.

The government should make available sufficient extra funding to keep children at kindergarten. Parents are struggling to pay the high fees and meet the fundraising commitments of preschools. Extra funding should be made available to ensure that no children are pulled out of preschool because their parents cannot afford to pay. That has already happened to many families; the parents did not enrol the children at preschool or the children simply turned up at school at the beginning of the year. Those children will miss out on the kindergarten year and will be disadvantaged right from the beginning of their education. Many others face that same situation. The government should provide extra funding to ensure that children do not miss out on their kindergarten education.

Last week the Premier visited Maryborough at the same time that I was visiting Bendigo. He conceded to the parents at Maryborough that there were problems with their kindergartens and promised to examine the matter. He was confronted at that public meeting by many parents of kindergarten-aged children and was told of the problems with low enrolments and increasing fees. He has admitted that there is a problem. I assure him that Maryborough is not the only place where preschools are experiencing problems.

Isn’t it a coincidence that during his visit to rural areas the Premier announced extra funding of $300 000 for rural kindergartens. That is welcome; however, for many it is too late and for others it is too little. It is welcome because many of the rural preschools would not have seen out the year without additional funds. But I assure the Premier that that is not the only problem in preschools, and he has not fixed them all. It is, nonetheless, an admission that there are problems. Many rural preschools did not reopen this year — Glenrowan is one that springs to mind. You can imagine how
good they are feeling now that they know that a 50 per cent increase in funding will be made available to preschools.

But there are many other problems. The government should admit it has made a mistake and face up to the fact that it is ruining an excellent system. Last year any child whose parents wanted him or her to attend preschool could attend, and there was a high attendance rate. The fees imposed on parents were decided by parents and covered extras such as books, new equipment and repairs to the preschools. Quality programs were delivered by qualified, trained and experienced teachers. Individual attention was available for every child. Every child’s program was planned, followed and reported on to parents. We had professional kindergarten teachers as well as a partnership between teachers and parents in the interests of the children. That was the goal: to have a quality program to assist with children’s development.

That is in contrast to the situation that now exists in preschools. The fees are high this year. Every preschool I have visited or spoken to has had to increase its fees. Even the honourable member for Knox admits that the fees in his electorate have had to go up. If he believes parents can find $75 or $80 a year extra to give to the government, he is out of touch. To many people that is a lot of money. The fees are even higher than that in many areas. Parents will tell you that they know of some children who are not attending preschool this year because their parents cannot afford the high fees and cannot undertake the fundraising commitments. The quality of the program has also been reduced. Less one-to-one attention is given by teachers to each child. Kindergarten teaching has become more of a part-time profession. Huge numbers of preschool teachers are now teaching part time.

These changes have resulted in a dramatic change to the kindergarten system as we knew it. We are left with an unfair system with high fees and children who are missing out.

I shall mention a few examples based on visits I have made recently, local newspapers and the survey I released a month ago that showed that fees in most preschools had increased by at least 100 per cent. Even more evidence has become available since then. At some preschools in Ballarat, including Mount Helens, fees have increased from $35 to $80 a term. At Mount Clear they have gone from $35 to $75 a term. At Black Hill they have gone from $30 to $85, and at Iris Ramsay they have gone from $40 to $75. They are all increases of 100 per cent or more.

Some interesting articles on kindergartens have appeared in local newspapers. The Nunawading Gazette of 14 March states:

All Saints Preschool committee secretary, Ms Margo Payne, said the kindergarten, near the hub of the city’s Vietnamese community, had traditionally attracted a high number of children from non-English-speaking backgrounds, but this year, many families had not enrolled their children...

'The fees have more than doubled from $50 to $110, and this is probably still one of the cheapest in Nunawading’, Ms Payne said.

'I’m sure the drop in enrolments is because families in the area are having problems paying the fees'.

An article in the Waverley Gazette of 16 March states:

Director of Westerfield Preschool, Mrs Jenny Wraight, said enrolments had dropped to 18 from a minimum government requirement of 20 and fees had almost tripled from $45 to $115 a term.

'The figures don’t tell you how many parents are struggling to pay their fees or will have to pull their child out of kinder later in the year when the cost becomes too much’, Mrs Wraight said.

Although the areas are diverse the comments are consistent: high fees, parents struggling to pay, pressure on families and some children missing out on preschool as a result. Other changes have also been made to the preschool system. One of the most common is the reduction in quality as a result of reducing the number of hours that children attend preschool, by increasing the number of children in a group or by increasing the number of groups teachers must take. I have been told that those sorts of things are happening in Ballarat, Bendigo and the Knox municipality. In Knox almost all the preschools that can take 30 children under the regulations now have 30 children per group. The previous maximum of 25 was set because it was thought to be the appropriate number for teachers to provide individual one-to-one attention and for each child to receive quality education. That restriction has now gone and there are up to 30 children in a group.

Some preschool teachers are taking more groups as well as three-year-old groups. Some preschool
teachers who take 75 to 80 children a week are also finding themselves under great pressure to assist the families of children. A letter from the directress of one of the Ballarat preschools states:

With the increase in enrolments in many kindergartens the teachers' roles are becoming that of minders as there is not the time to plan or implement educational programs for individual children.

So quality is being reduced. Committee workload is another issue that is constantly raised with me as I visit preschools. A letter from a preschool teacher in Dandenong states:

As predicted we are having difficulties — we could get no-one to be president at our annual meeting last November. I've appealed to our local city councillor to help out and don't know yet if he can carry on. Now our treasurer has resigned.

Who would be treasurer when he or she has to set high fees and huge fundraising targets? That is a common plea. Last week I spoke with representatives from Cranbourne preschools. One preschool president told me that during the first 12 weeks of the year he had attended 11 meetings and that if it kept up at that rate it would be a full-time job.

The per capita funding introduced by the government is an abysmal failure. There are significant problems with the allocation to preschools. What will happen if a child enrols at one preschool, the preschool receives the funding and the child then moves to another area? That is a common occurrence in outer growth suburbs such as Cranbourne. Additional children are turning up during the year but the preschools will not receive additional funding.

What happens to the $75 per family for the holders of health cards? Those low-income families are struggling to meet the high fees anyway. If their children are enrolled in one preschool and they shift to another area the $75 stays with the first preschool and the family is given no relief from fees payable later in the year. Although they might receive a benefit from the first preschool, once they leave they do not receive any discount. Many people who are issued with health care cards after the cut-off day are not eligible for the $75.

The per capita funding also destroys the career structure of teachers. Recent experience has been that the lowest qualified teacher is the cheapest option and many preschool committee parents are worried about that. A letter from the president of a Ballarat preschool states:

Our teacher's wages are dismally low. She is working 23 hours — we were told by the department to decrease them in order to keep our costs down. The government has destroyed any real career path for kindergarten teachers.

Today I have illustrated a whole range of problems. Kindergartens are struggling with those problems, which will get worse during the year, particularly as parents struggle to pay the fees for terms 2, 3 and 4. Kindergartens will face huge shortfalls. There will be an ongoing problem of teachers losing their careers.

The government must now face up to the fact that it has messed up the preschool system. It must recognise that it has made a mistake, that it was wrong from the beginning and that its plan would never work. The proof is coming through now because the system is in tatters. There are difficulties right across Victoria.

The Minister for Community Services and the Premier must understand that the problems that they identified last week are not the only ones. There is a huge range of problems. We need to have a proper, thorough, independent review to examine all the problems and arrive at some other system before the whole preschool structure collapses around us.

Preschool funding

Mr E. R. SMITH (Glen Waverley) — Before I raise an issue on the grievance debate, I welcome to the public gallery a delegation from Vietnam. The group, which is being sponsored by the Department of Planning and Development, is here to discuss and learn about the building regulations in Victoria. On behalf of my colleagues, I extend a welcome to the delegation from Vietnam.

The ACTING SPEAKER (Dr Coghill) — Order! I am sure the house endorses that welcome.

Mr E. R. SMITH — As many honourable members are aware, I had the honour to serve in Vietnam for two years, in 1966-67 and 1969-70, with the Australian Army. At that time I made many good contacts and friends in Vietnam. I am very sincere in my welcome to the Vietnamese delegation.
Today a number of honourable members have raised the kindergarten issue. The main thrust of the opposition’s approach has been to point out what a failure the new kindergarten system has been since it was implemented by the new government. As a local member I could not let the opportunity pass because together with the honourable members for Knox and Wantirna I have worked closely on this issue —

Mr Hamilton — You just sent them out the door!

Mr E. R. Smith — I do not know what is the matter with the honourable member for Morwell, but if he gets his turn to contribute to the debate later we may find out. For the time being I suggest he should listen.

The issue raised by opposition members today is an attempt to denigrate what has happened in the preschool system. The proof of the pudding is in the eating. As a local member who works closely with the community I have not received any complaints from kindergarten groups about the new system that has been implemented this year. Against all the predictions of the Leader of the Opposition and the honourable member for Bundooora, the fact is that kindergarten fees have not risen by more than $1.75 to $2 a week in any of our areas. In addition to the $800 the government allocates for each child, the children of families who might be having difficulty — that is, those people on health care cards — attract an additional $75. The government was able to foresee that potential problem. It was able to overcome the potential for children to be disadvantaged through the good management of kindergartens in our areas. I have specific knowledge of kindergartens in the electorates of Knox, Wantirna and Glen Waverley.

I keep in touch with the Waverley City Council, which has responsibility for 28 kindergartens in Dandenong North, Bennettswood, Glen Waverley, Forest Hill and Wantirna and ensure the kindergarten issue is carefully monitored. The campaign to denigrate which was launched by the honourable member for Bundooora has fallen flat because she does not know the facts. The honourable member for Bundooora admitted being very impressed with the way the Knox council has assisted kindergartens in the area. She gave credit to the Knox councillors, but she did not realise that in doing so she was also complimenting the honourable member for Knox, who was a councillor of the City of Knox for 20 years and the mayor of that city three times before retiring last August. In an indirect way the honourable member for Bundooora was giving credit to the honourable member for Knox for the work he has done for kindergartens in the area.

In his short period as a member of this house the honourable member for Knox has looked after his electorate exceedingly well. He worries about his electorate and he is out there all the time, unlike the honourable member for Bundooora who does nothing other than catcall rather than doing what she should to ensure that the kindergartens in her own electorate run as well as they do in Knox and the City of Waverley.

Like the honourable member for Wantirna who is the father of a kindergarten-aged child, I too visit my child’s kindergarten twice a week. I see at first hand just how well the kindergarten group is coping and how well people are managing. I have heard about their concern that the groups in the coming years may not have the same expertise as they have now, but I do not believe that is a concern because every year good committee people are found. The attempts to denigrate the government over its treatment of kindergartens have fallen flat.

Road safety

Another matter I wish to grieve about is road safety and the penalties for certain traffic offences. I have already brought to the attention of the Minister for Roads and Ports and the Minister for Police and Emergency Services the anomaly in the Road Safety Act concerning the penalties imposed for disobeying traffic control signs or lights. No honourable member would denigrate a system that penalises people who go through red lights or who fail to obey give-way signs, but it is an anomaly that the same penalty for those offences — three demerit points and $165 fine — is imposed for turning left at an intersection at a restricted time. In other words, one penalty is imposed for road safety reasons, the other is imposed for community amenity reasons. If a person turns left at an intersection which restricts left turns between the hours of 4.00 p.m. and 6.00 p.m. or 7.00 a.m. and 9.00 a.m., it means the police are trying to discourage people from making such turns at those times for community amenity reasons. However imposing the same penalty for those offences as that imposed for running a red light or failing to obey a give-way sign is anomalous. I know the minister is looking into the matter, but I am sure the community would agree that there is an anomaly in those penalties.
I have also spoken to police involved in road traffic enforcement and they do not believe getting rid of that anomaly would downgrade traffic safety. I call on the minister to speed up the inquiry into this matter because I receive an average of two letters a month from constituents claiming that a $165 fine and three demerit points is an unfair penalty for such offences as flaunting a community amenity.

Another matter of concern is the speed restriction on the South Eastern Arterial between 11.00 p.m. and 6 a.m. I contacted the police and asked about the fines that those speeding offences can attract. I spoke to one inspector who recently picked up a fellow who was doing more than 100 kilometres on the arterial and he received six demerit points and a $220 fine.

Once again the speed restriction on the South Eastern Arterial was introduced for community amenity reasons because the people who live on either side of the arterial were bothered by the noise. However, over the years the arterial has been extended from Toorak Road to the old Mulgrave freeway, more vegetation has grown and boards have been put up to help reduce the noise levels. At quarter to twelve last night when I was driving home from Parliament House I stuck to the 60-kilometre speed limit because I was not prepared to risk getting a fine. However, cars were either zooming past me or slamming on the breaks behind me. Because I was sticking to the speed limit I was a traffic hazard.

I know the minister is looking carefully into that matter, and I know extensive work was done on the arterial during the Labor administration. I remember arguing with former minister Jim Kennan about the matter. He did not want to spend extra money on erecting flyovers at the Burke Road, Tooronga Road and Warriegal Road intersections because he wanted to divert money to the public transport system. However, it has since been discovered that only 10 or 12 per cent of the population use the public transport system. Although I do not wish to decry the money being spent on public transport, that money should have been spent on proper freeway facilities because the current government is finding that the erection of the flyovers is costing almost as much as the building of the original arterial.

I have sent the correspondence I have received to the minister and I believe his committees will examine the situation. This matter is urgent because when the police decide to have a blitz on the South Eastern Arterial we may find that people will be picked up unfairly. I inform the minister that these matters are of great concern to my constituents, who want to see them brought to a speedy conclusion.

Question agreed to.

Sitting suspended 1.00 p.m. until 2.04 p.m.

ABSENCE OF MINISTER

The SPEAKER — Order! I advise the house that the Minister for Health will be absent from question time because she is attending the Health and Community Services Ministerial Council. The Premier will handle any matters relating to the health portfolio.

QUESTIONS WITHOUT NOTICE

Australia Air International

Mr THOMSON (Pascoe Vale) — I direct to the attention of the Minister for Industry and Employment comments made by the chief executive of Australia Air International, Colin Hendrick, on the 7.30 Report last night that the government decision to give or lend his company $5 million had been arranged through an intermediary whose identity he could not reveal.

Will the minister tell the house who was the third person and what authority he had been given to offer loans, grants and tax breaks on behalf of the Victorian government?

Mr GUDE (Minister for Industry and Employment) — The matter was raised with the government in the way that companies seeking to do business in the state normally raise such matters. It was then considered by government in the manner described fully by the Treasurer. I can add nothing further to those remarks.

Telecom charges

Mr A. F. PLOWMAN (Benambra) — Will the Premier inform the house of the government’s attitude to the proposed increases in Telecom’s telephone charges — in particular the impact the increased charges will have on country Victoria?

Mr KENNETT (Premier) — Most of us on this side of the house were dismayed to hear about the increase in charges.
Mrs Wilson — You should talk about government taxes and charges!

Mr KENNEDT — Most of us were disturbed to hear that the federal Labor government has given approval for an increase in Telecom's telephone charges throughout Australia.

Honourable members interjecting.

The SPEAKER — Order! The level of interjection is far too high. Yesterday I had cause to caution several honourable members on my left. Question time cannot proceed in an orderly way with a barrage of interjections.

Mr KENNEDT — All of us on this side of the house were disappointed to learn that the federal government has given permission for Telecom to increase telephone fees dramatically throughout Australia. That decision will affect two groups in particular.

Honourable members interjecting.

Mr KENNEDT — One can only assume that the interjections from the other side indicate the opposition's total contempt for the people in rural and provincial Victoria. Two groups of people will be hardest hit, the first of which is those people in metropolitan Australia who are on low incomes and who, in many cases, are senior citizens who rely on their telephones for both communication and security.

The second group who will be affected by the increases is those who live in country or provincial Victoria. There is no doubt that they do not have the same opportunities as people living in the metropolitan areas of Australia, who can reach for the telephone and contact 90 per cent of the people they want to within their regions while staying on the telephone for as long and as often as they wish. People in provincial and rural Victoria, who often live in isolation, have to make long distance calls which are also timed calls, because the charges are based on the length of time they are on the telephone.

Honourable members interjecting.

Mr KENNEDT — The honourable member for Thomastown interjects by saying, 'What are you going to do about it?' I shall tell you what we are going to do about it.

Honourable members interjecting.

Mr DOLLIS (Richmond) — On a point of order, Mr Speaker — —

Honourable members interjecting.

The SPEAKER — Order! It seems the Speaker is a voice crying in the wilderness, because no-one is listening to him. A few members on my left are interjecting incessantly. I do not want to take action against them — firstly, because I do not want to be vindictive, and secondly, because it interrupts question time.

Mr DOLLIS — On a point of order, Mr Speaker, the honourable member for Thomastown asked what the Premier is going to do about electricity and gas prices for rural Victoria.

The SPEAKER — Order! There is no point of order.

Mr KENNEDT (Premier) — The drift away from rural Australia is accelerating because of the lack of industry, the change in farming practices and, for many, the extra cost of living in rural and provincial Australia. Not long ago Mr Bill Kelty was called upon by the federal government to put together a regional policy for the development of opportunities in rural and provincial Australia.

There will be little new investment in provincial and rural Australia if this piece of betrayal to those who live in those areas takes place. It is pointless Mr Kelty putting together a report when in this and other states we have a very real program of decentralisation. That program is now at risk, in part because of this latest move. But it is certainly at risk because of the effect on new investments. Another new business is opening up in rural Victoria next week and I — —

Mr Sercombe interjected.

Mr KENNEDT — The Deputy Leader of the Opposition inanely interjects to ask: 'How many people live in the state?' He does not even know how many people live in the state.

Mr Sercombe interjected.

The SPEAKER — Order! I caution the Deputy Leader of the Opposition. I also caution a number of honourable members on the opposition benches: the
honourable members for Altona, Bundoora, Yan Yean and Sunshine.

Mr KENNETT — A proper decentralisation program is very much part of the government's program and will continue to be so in the future. If the federal government allows those types of discriminatory acts to take place against those who live or work in country Victoria, it will make it increasingly difficult for people in isolated areas who produce wealth for this society to continue to eke out livings.

Ms Garbutt interjected.

Mr KENNETT — The honourable member for Bundoora interjects with an um, an ah and a cough.

The SPEAKER — Order! The Premier will ignore interjections.

Mr KENNETT — It is understandable that the opposition has no representatives from rural Victoria.

Honourable members interjecting.

Mr KENNETT — Who? Who is there?

Honourable members interjecting.

Mr KENNETT — No, that is what I said — none.

Honourable members interjecting.

The SPEAKER — Order! It is a shame that some honourable members on my left cannot understand a simple English sentence. I have already cautioned the honourable members for Altona and Albert Park. Let me put it more directly: keep quiet!

Mr KENNETT — The government and I consider this to be an important issue. Australians do not know the impact the new charges will have on those living outside the metropolitan area. Those in the metropolitan area are favoured by not being charged on a timed basis — and no-one is advocating that they should be — but country and rural people are being discriminated against because of time charging. If the federal government does not review the policy as a matter of urgency I can assure it there will be a severe backlash, not only in the impact on individuals and workplaces but also politically. I intend to raise the matter at the Premiers Conference on Friday.

Mr BAKER (Sunshine) — On a point of order, Mr Speaker, on my reckoning the Premier has delivered an 8-minute soliloquy. That is far in excess of the standards that you, Mr Speaker, have attempted to establish in the house. He should at least attempt to show some leadership: it is a whole lot of nonsense about a federal matter over which he has no control.

The SPEAKER — Order! There is no point of order. The Chair is making allowance for the number of interruptions. I have been on my feet several times to caution honourable members.

Mr KENNETT (Premier) — The opposition should take this important issue seriously. It will adversely affect those who live beyond the metropolitan area. Because it takes the issue seriously, the government intends to raise it at Friday's Premiers Conference.

Petrol prices

Mr BRUMBY (Leader of the Opposition) — I refer the Minister for Agriculture to comments by Senator Julian McGauran in the Wimmera Mail Times yesterday and on 8 March in the Morwell Express that intimidation in the party room by the Premier and the Treasurer is the reason why the government —

Mr Kennett interjected.

Mr BRUMBY — Because it concerns country people and because you are a hypocrite, Premier.

Government members interjecting.

Mr BRUMBY — No, I will ask him because he is the Minister for Agriculture.

Honourable members interjecting.

The SPEAKER — Order! It is impossible for the Chair to conduct question time in this disorderly manner. If the house does not come to order I will either call the next question or conclude question time.

Mr BRUMBY — As Senator McGauran said, intimidation in the party room by the Premier and the Treasurer is the reason why the government has chosen not to —

Honourable members interjecting.
The SPEAKER — Order! I remind the house that it is wasting its own question time.

Mr BRUMBY — He said that intimidation in the party room by the Premier and the Treasurer is the reason why country petrol prices have not been reduced by the government. Will the minister confirm that this is the case? Is the reason country petrol prices are not being reduced because of intimidation by the Premier and the Treasurer?

Mr W. D. McGrath (Minister for Agriculture) — It appears from the tone of the question and from the way it is framed that the only person suffering from intimidation is the Leader of the Opposition! I assure the house that no intimidation takes place in the Kennett party room.

Mr McNamara interjected.

The SPEAKER — Order! I warn the Deputy Premier that if he continues to interject I will take action against him.

Mr W. D. McGrath — I assure the house and the people of Victoria that cabinet is made up of an equal number of representatives from city and country electorates. It was a different case when the mob on the other side were in government; there was no representation for country people at all. It is fair to say that the government does not control petrol prices. However, to be fair, work has been done behind the scenes and the government believes a sensible conclusion will be reached at the appropriate time.

I assure the people of Victoria that there are good relations between all members of the cabinet on rural matters, and especially with the Premier who recently undertook a rural visit across the state. There is good cooperation between all members of cabinet; there is no intimidation of country members by the Premier and the Treasurer in the cabinet room.

SEC vehicles

Mr LUPTON (Knox) — Will the Minister for Finance inform the house what action the government has taken to correct the scheme of the previous Labor government to raise money through the sale and lease-back of State Electricity Commission cars?

Mr I. W. Smith (Minister for Finance) — I have previously advised the house that the former administration was unaware of the number of motor vehicles it actually had. That, together with inaccurate records of the number of staff — it was found that a third of the people who had left the public service were not recorded in any superannuation schemes — points up sloppy administration. When the house last sat I was able to advise that Mr White in the other place, in an effort to help the former Treasurer disguise his budget problems, entered into a deal this government inherited and is now endeavouring to rectify. I refer to the scandalous $646 million lease-back deal with Grocon Ltd for the SEC building, which could never have been occupied by the 2600 people that it was designed for.

As honourable members will recall, the arrangement involved an up-front cash payment of $40 million to the government for its cash-strapped budget. However, Mr White did not stop there. He could not help himself; he had a look at the SEC, and what did he find? He found that the commission had 5000 vehicles, in other words, under Mr White's administration, 1 in every 3 SEC employees had a vehicle to drive around in compared with about 1 in 20 for the rest of the public sector. That was at a time when Mr White was trying to downsize the SEC while trying to fulfil his obligation to the failing government.

What did the former minister do after learning of that situation? He went into the marketplace with a funny money deal and sold 1800 vehicles and leased them back for another $40 million over a five-year period — a period when he was supervising the downsizing of the SEC. In one year Mr White contributed $105 million in funny-money deals to help the then Treasurer cover his budgetary problems in the run-up to the last state election.

This government has completely abandoned the policies of funny-money lease-backs, especially with regard to motor vehicles because it is much cheaper and more cost effective to buy them. We have no interest in subverting disclosure to the Australian Loan Council about the predicament inherited from the previous government.

It is a just irony that, in being deposed as Leader of the Opposition in the other place, Mr White had to forfeit his vehicle and driver and now has to find his own way home.

An Honourable Member — What do you do?
Mr I. W. SMITH — I drive it myself, and the reason for that — —

Honourable members interjecting.

Mr I. W. SMITH — This Labor opposition needs to be brought back to the reality of the financial position in which it left this state. I am outlining yet again some of the scandalous arrangements that were entered into in the dying days of the former government that are being corrected by this government.

The honourable member for Tullamarine has been equipped with enough incredible and scandalous examples of money wasting to win him the next election and every other election that Mr White may compete in against him.

Mr Cooper interjected.

The SPEAKER — Order! I warn the honourable member for Mornington.

District liaison principals

Mr SANDON (Carrum) — Will the Minister for Education confirm that a person who worked in the Directorate of School Education assisting with school closures has been appointed as a district liaison principal despite the fact that she did not meet the criteria for appointment to the position and was never even deemed suitable to be interviewed by the local panel?

Mr HAYWARD (Minister for Education) — These people are fine people and have all been appointed on merit by the Director of School Education.

Regulation reform

Mr RYAN (Gippsland South) — Will the Minister for Small Business inform the house of the changing trends in regulation-making since the Kennett government took office in Victoria?

Mr HEFFERNAN (Minister for Small Business) — I thank the honourable member for Gippsland South for the question and his ongoing interest in small business. The question is timely in light of the recent comments made by the honourable member for Werribee in this place about regulation by this government. Regulation reform is at the heart of revitalising the state’s economy. I believe members on both sides of the house would accept the importance of this particular issue. For 10 years Victorian businesses have been strangled by red tape. The previous government’s philosophy was to regulate everything, and in doing so it impeded business growth in this state.

The total number of regulations enforced in Victoria has continued to fall since the coalition took office. Fewer regulations were made last year than in any year since 1965. The government has reversed a 28-year trend of greater regulation of the private sector. Last year 450 regulations were repealed.

Mr Gude — How many?

Mr HEFFERNAN — Some 450. Guess what? Every one of those regulations was introduced by the former Labor government: they owned all 450 of them! The former Labor government built an empire of red tape for the private sector. The government intends to pull that empire down! Over the past 18 months enormous confidence has flowed back into the state’s economy. About six months ago I told the house that 5000 new small businesses had opened in Victoria since the Liberal Party came to power.

Honourable members interjecting.

The SPEAKER — Order! There have been interjections across the table from both sides of the house. I caution the Leader of the House and the Deputy Leader of the Opposition.

Honourable members interjecting.

The SPEAKER — Order! I will not tolerate backchat when I am on my feet. The Deputy Leader of the Opposition does not know how close to the wind he is sailing.

Mr HEFFERNAN — I have even greater news to tell the house. The number of new small businesses has increased by 3000, so 8000 new businesses have started in Victoria and small business now employs 25 500 more Victorians than it did when this government came to office. The private sector realises it is all happening. The transfer from government to private sector employment is taking place. Recent surveys confirm what I hear on a daily basis: small business is getting better and better every day. The government understands what small business is all about. It understands the private sector and knows that growth will come from the private sector.
I conclude by saying that I intend to have a meeting with those members of the opposition who have been involved in small business, and I have booked the phone box outside to put them all in!

District liaison principals

Mr SANDON (Carrum) — I refer the Minister for Education to his claim that district liaison principals were appointed on the basis of merit alone, and ask: if that is so, why did he remove merit as a ground for appeal by principals before the Merit Protection Board?

Mr HAYWARD (Minister for Education) — District liaison principals were appointed on merit. If they have any concerns about the process they can take the matter to the Merit Protection Board, as has occurred.

X-rated videos

Mr PATERSON (South Barwon) — I ask the Attorney-General to advise the house whether the floodgates have been opened in Victoria for the sale of X-rated videos and to explain what action the government intends to take to rectify the problem.

Mrs WADE (Attorney-General) — Following a decision in the Supreme Court last week it appears that X-rated videos can be sold freely in Victoria. It appears that the sale of X-rated videos has never been regulated in Victoria. In 1990 the previous government introduced new legislation for the classification of films and publications that was intended to establish a system that would operate in conjunction with commonwealth legislation for the classification of films, including videos. Victoria was to enter into an agreement with the commonwealth in order for the commonwealth censor to classify films and videos. The legislation provided that an existing agreement made under the Films Act, which ceased to operate with the commencement of the Classification of Films and Publications Act, should continue until it was replaced by a new agreement under the new act.

It seems that the previous government never got around to entering into a new agreement under the new act, so all we have in force is the old agreement under the Films Act. That agreement does not cover videos. Films are defined in a limited way under the old Films Act as being a sequence of visual images. Videos are not a sequence of images, they are electromagnetic impulses on tape.

The definition of films in the new act covers videos. This government assumed an agreement was in force under that act, but the old agreement under the Films Act does not cover videos. It seems that Victoria has never had a system that provides for the classification of videos. I find that situation absolutely extraordinary.

Honourable members interjecting.

Mrs WADE — The opposition may not be interested but I am sure you, Mr Speaker, are interested in this outrageous situation, which comes about as a result of the inaction of the previous government, notwithstanding numerous statements by the then Attorney-General, Mr Jim Kennan, that he was very concerned about pornographic material being introduced into the state. If the previous government managed to let this sort of situation slip through its net one has to ask how many other administrative bungles one might find if one were to examine other legislation introduced by the Labor government. It might be necessary to establish a committee to examine all the previous government’s legislation to see whether any other loopholes like this are lurking around.

Having done nothing for 10 years when they were in government the opposition is now asking me what I am going to do. I am going to take action. It does not take me 10 years to get around to doing things! The first priority — —

Honourable members interjecting.

The SPEAKER — Order! It is impossible to hear the Attorney-General’s answer above the level of background noise.

Mrs WADE — I should like to thank the honourable member for Williamstown for her expression of confidence in me. The first priority is to enter into an agreement with the commonwealth, and I anticipate that we will be able to do so within the next couple of weeks. Certainly that is what I am aiming for. It may also be necessary to enact legislation to validate the classifications that have been made by the chief censor over many years. I have that matter in hand. My officers are considering it and I hope to be able to report back on it shortly.

DISTINGUISHED VISITORS

The SPEAKER — Order! I welcome to the Speaker’s gallery Mr Max Willis, the President of the
MEDICAL PRACTICE BILL

Legislative Council of New South Wales, who is accompanied by Mr President.

Honourable members — Hear, hear!

MEDICAL PRACTICE BILL

Introduction and first reading

For Mrs TEHAN (Minister for Health), Mr Gude introduced a bill to make provision for the registration of medical practitioners, the investigation into the professional conduct or fitness to practise of registered medical practitioners, to regulate the advertising of medical services, to establish the Medical Practitioners Board of Victoria and the Medical Practitioners Board Fund of Victoria, to repeal the Medical Practitioners Act 1970, to make various amendments to other acts and for other purposes.

Read first time.

NOTICE OF MOTION

Mr MACLELLAN (Minister for Planning) — I advise the house that I do not wish to proceed with government business, notice of motion no. 2, because I understand the Minister for Local Government, who is responsible for the legislation, wishes to introduce it into the other place early next week.

WHEAT MARKETING (AMENDMENT) BILL

Introduction and first reading

Mr W. D. McGrath (Minister for Agriculture) introduced a bill to increase the functions of the Australian Wheat Board and enable the board to engage in intrastate trade in barley in Victoria, to amend the Wheat Marketing Act 1989 and for other purposes.

Read first time.

ADMINISTRATION AND PROBATE (AMENDMENT) BILL

Second reading

Debate resumed from 10 March; motion of Mrs WADE (Attorney-General).

Mr COLE (Melbourne) — I rise on behalf of the opposition to support the Administration and Probate (Amendment) Bill. But I do so with considerable reservations, not because the bill is lacking in substance or form but because it is lacking in the many things that could and should have been included. I am disappointed that, just as she did when in opposition, the honourable member for Kew, the current Attorney-General, has avoided tackling some of the issues relevant to administration and probate, an important area of administrative law.

This can be a turgid and uninteresting topic; but it will have devastating impacts on people if we do not get it right. I will examine the issues the opposition believes should have been addressed, as well as those the Attorney-General has addressed. The second-reading speech is evidence of the fact that over the past nine years the actions of the Liberal and National parties, whether in opposition or in government, in not recognising de facto relationships have been nothing short of disgraceful.

It is appalling that the government cannot see its way clear to recognise not only that de facto relationships exist but that people in those relationships are entitled to the provisions that apply in other circumstances where people die without making wills.

In the second-reading speech the Attorney-General states:

The government is also aware of the hardships suffered by de facto partners in relation to administration and probate matters. These issues will be addressed following further consultation.

It seems incongruous that although de facto relationships are generally recognised the government is not prepared to recognise them for the purposes of administration and probate.

Has the Attorney-General come a certain distance in accepting de facto relationships? It is interesting that in her speeches on this topic she does not exactly rule out de facto relationships — but she does not exactly ruled them in either. In past days the Attorney-General has used problems with the drafting of bills as a reason, possibly an excuse, for not accepting de facto relationships. The last bill put forward, almost the definitive measure on the topic, was rejected outright as not being well prepared. That leaves unanswered the question of whether there will be consultation on the issue. The government has a limited view of what constitutes...
consultation. It sometimes takes public consultation
to mean speaking to party members or members of
its bills committee!

In this case will it be said that although de facto
relationships are accepted there are problems with
the drafting of legislation that properly and
adequately accommodates those relationships? If so,
I offer my services to the Attorney-General. I am
sure that without too much difficulty I could quickly
organise for a reasonable bill to be drafted to
accommodate de facto relationships.

An honourable member interjected.

Mr COLE — I did, and we came up with a good
bill. I would not make an offer such as that too often
because it is not my area of expertise. I have a better
knowledge of other areas, but I will not outline those
because that would be a little rude!

It is not for want of the legal ability to do so that
provisions pertaining to de facto relationships are
not included in the bill. It has been said umpteen
times that the community is against the recognition
of de facto relationships, which I find absurd. That
could not possibly be so because those relationships
are recognised for the purposes of various social
security acts — and they have been recognised for a
long time. There is no question that de facto
relationships exist and that they ought to be
recognised. I do not believe the community is
opposed to that. Even some churches recognise
de facto relationships, despite the people involved
not being members of those churches.

More to the point — this is the real worry — I
wonder whether the bill is a reaction to the
Neanderthal urge within the Liberal and National
parties. Given some of the things the government
has not done but should have, as well as some of the
other things it has done but should not have, the
odds are that that is why de facto relationships are
not recognised in the bill.

This is not a lightweight issue, as is reflected by the
number of members listening to me. It is important
because so many people are unnecessarily hurt by
de facto relationships not being recognised in
administration and probate matters. One would
hope that while the bill is between here and another
place consultation will occur and the government
will come up with an alternative proposition for
de facto relationships.

There are also other issues on process; however I do
not want get too hung up on process.

I am a member of the Wills Subcommittee of the
Law Reform Committee. The joint parliamentary
committee on wills is chaired by James Guest and it
has heard from consultants from Queensland.
Parliament has an advisory committee which fits
quite rightly into the Attorney-General's concept of
volunteer contributions, and it is doing just what she
would like to see those people do. That is great, too,
because the committee has an obligation to commit
itself to the proper reform of the wills law.

What concerns me — although it is different from
the specific issue that the committee is concerned
with, namely wills, not with the administration of
probate — is that this matter was not sent to the
committee first. It could easily have been tied into its
report; it could have been handled and managed in a
joint parliamentary fashion. It would perhaps have
been a touch politicised when the committee came to
to consider de facto relationships — I do not know —
but I am sure there is a better than even money
chance that the members on the committee would
have come down on the side of recognising de facto
relationships for the purposes of administration and
probate. I therefore wish to put forward my
amendment.

I move:

That all the words after 'That' be omitted with the view
of inserting in place thereof the words 'this house
refuses to read this bill a second time until certain
provisions relating to distribution if an intestate leaves
a de facto partner have been referred to the Law
Reform Committee for inquiry, consideration and
report in conjunction with their current inquiry into
wills which is due to be reported upon by the last day
of the 1994 autumn sittings.

The DEPUTY SPEAKER (Mr J. F. McGrath) —
Order! Is the motion seconded?

Ms MARPLE (Altona) — I second the motion.

Mr COLE (Melbourne) — I am speaking for the
reasoned amendment. I consider this issue to be of
grave concern, and it ought to be resolved by the
end of the session. If the issue went to the Law
Reform Committee or the wills subcommittee a
working group could act on it productively, and
probably on the advice of others who know more
about the topic than I, such as the honourable
member for Berwick. That would result in a very good resolution of this issue.

What is required, of course, is the political will to do so, and it is my fear — and it is a reality, I suppose — that the Attorney-General will not support the reasoned amendment.

On any analysis I believe the Law Reform Committee is the most logical and sensible place to send this issue. Surely the issue is not so politically contentious that the committee could not consider it in the rooms of Nauru House in the way it considers other matters and come up with desirable conclusions. I am sure that by the end of the session the committee would come up with an appropriate and desirable bill for consideration for the Parliament. It is of concern to me — and again I say it — that if we give a wills reference to a committee such as the Law Reform Committee, it should be the body to handle matters to do with wills at least until it has finished its reference. We should not pre-empt that process by bringing in other matters to do with administration and probate.

As I recall, we had considerable discussion on that committee about consequential amendments and their effects on the Administration and Probate Act. It was decided that we would stick strictly to our terms of reference and confine ourselves to the issues of wills and the drafting of wills. That was a good decision and there is no reason now, given that this bill has been introduced, that it could not be sent off to the committee for consideration pursuant to a request from Parliament. That would be a logical and good step.

I shall return later to the various matters that should have been included in the bill, but I point out that the opposition is not totally unsupportive of what the Attorney-General has proposed because all aspects of the bill are desirable; there is no doubt about that and nobody could or should dispute it.

I turn to the revision of the Supreme Court rules. There should be no problem for anyone from either side of the house about that course being taken; it is just a procedural matter. As to the increase in monetary limits, the opposition bill also proposed to increase them slightly, and I do not have great difficulty with the levels that have been set.

Obviously, the opposition also supports the depositing of wills with the Registrar of Probate. However, it is an anachronism that the offices are based at the Land Titles Office when they could be based at the Probate Office, as is now proposed. Workers will not have to walk too far and it will make it easier for them to go out to lunch with their mates. That is a desirable move and there should be no criticism of that.

The other important issue I shall raise is the purchase of the matrimonial home. Again, for a long time many people have been in the unfortunate situation — in fact, it goes back to the last century because the act had not been changed much — that the spouse of an intestate could not purchase the deceased’s share of the matrimonial home. It is obviously nonsensical that when a couple have been living at their home for 50 years and one partner dies without having made a will the home has to be sold and the proceeds split up according to the rules.

The opposition believes there should be an option for the surviving spouse to purchase. The provision of an option to purchase is obviously a good one. My only concern when looking at those problems in that context — and again, I do not want to be critical of this provision — is whether the division of money between families should in any way prevent the surviving partner from buying the house. Many people are asset rich and income poor: I happen to be poor in both categories. If a person who is income poor but asset rich sells a property after having lived in it for a long time and is then given this wonderful option to purchase, it is not a real option. The only option is to borrow the money, which would often be impossible, or to sell the property.

So again, although we could engender some flexibility in this provision, I do not want to go into it today because my knowledge does not allow me to do so. However, it does seem to me that the bill should provide more flexibility than merely giving the surviving partner an option to buy when a person has not made a will. That goes to the very heart of the whole question of trying to divvy up and arrange matters in what has been perceived as the way the testator would have wanted.

In the case of the marital home, I believe far more is involved than just trying to work out what the deceased spouse would have wanted. Very often people want to provide for their kids as well, and when they do that they do not necessarily make the right provision for their partners — usually women, because they live longer. Whereas previously they did not have the option to purchase, now they have the option of purchasing but it does not mean anything. The government should be looking at what the deceased partner would have intended and
what is in the best interests of the surviving partner. I do not think it would be unreasonable for a court to decide that way. Certainly, children would not be much hurt by that decision because as time went by they would be included in the will — one hopes so, anyway. It would certainly be much more viable for all concerned to provide assistance or support for the surviving spouse rather than just an option to purchase, but I am going into pretty difficult areas there. However, it is a principle we ought to be looking at. It is a big step to say that as of right any marital home belongs to both partners.

The only other similar situation would be that of a survivorship application where the surviving partner is either a tenant in common or a joint tenant, and we would be concerned about the tenant-in-common situation only where the court did not hold that way.

The other important issue addressed by the Attorney-General is the revocation of wills on divorce. As she said in the second-reading speech, it is appropriate that while marriage automatically revokes a will — and a lot of other things besides — divorce does not. In those circumstances people very often fail to make new wills. It is clear that a testator who is divorced but who has failed to make a new will is unlikely to intend that his or her property should still go to the former spouse. That situation should not be allowed to continue.

One needs to approach some of the issues with trepidation. Although we have taken the right position on divorce — certainly since 1975, with the introduction of the ground of irreconcilable and irretrievable breakdown — we have not seen our way clear to recognise de facto relationships. Divorce was once not recognised, despite its being prevalent — and that is still the case with some religions. The bill has gone some of the way, but the government has not taken the next step by recognising de facto relationships.

Be that as it may, the bill will ensure that the new partner of someone who dies after being divorced will not be unduly affected because the deceased had not revoked his or her previous will.

There is no doubt that the provisions are highly desirable. However, the Attorney-General has abrogated her responsibility to the community by failing to address the very important and difficult issues — not because of a lack of ability or incompetence but because of the political imperatives within her party. It is amazing how political imperatives can make someone look incompetent or make it difficult to bring about what is necessary. I hope the Attorney-General is not a captive of those political imperatives and that she supports the recognition of de facto relationships.

The importance of the legislation compels me to explain as well as I can the nature of intestate estates. When people die without making wills — sometimes not insignificant amounts are involved — there are no legally valid indications of how those persons’ estates should be distributed. It is the responsibility of Parliament to decide the rules that determine how the administration and probate authorities should establish a scheme for the distribution of estates such as those. I hope the scheme to be established will be fair and equitable.

The aim of the scheme should be to ensure that the estate is divided among members of the family in a way that any fair-minded person in the position of testator would have wanted. That is an onerous task. Even the option to purchase a house for a surviving spouse — a good initiative — can create many problems because it does not properly address the broader problem of providing for the surviving spouse of someone who has not made a will. That excludes provisions under part IV of the Administration and Probate Act, to which I will turn later, because the legislation involves many issues.

The opposition asserts that although the act has attempted to deal with that aspect and although the amendments will make great changes, a number of issues remain to be addressed. I have already mentioned de facto relationships. Divorce is another aspect, and a third involves dependants from more than one family as a result of remarriage.

Part IV of the act gives the Supreme Court the power to redistribute an estate to make provision for a family. At present, only a deceased's widow, widower or children has that entitlement before the Supreme Court. The former wife or husband has no rights. At face value that may seem appropriate: a person who is divorced no longer has an entitlement. However, it is not as simple as that.

When the former government proposed the introduction of similar legislation in 1985, 1990 and 1991, part IV of the act imposed the most restrictive provisions for family maintenance of any state in Australia, including Queensland.

Now several categories of family members who have a moral right to property are denied access.
That includes a former wife who has not obtained a maintenance order at the time of the death of a former husband. If a husband dies before a Family Court order can be made, there can be no such order. Any order must be made in circumstances where a former wife would have no right under the act and the proposed legislation to make a claim upon a testator’s estate.

Yet it is obvious that a divorced person with two or three dependants could get no maintenance from the Supreme Court. The same applies to the problems faced by a former husband and, more importantly, stepchildren who are denied any capacity to make a claim even though they may have lived in the family for 10 years or more. They have no say on family maintenance or rights under a testator’s estate. They are significant problems that are not addressed by the legislation — although changes could be made with little effort.

The most severely discriminated class of people under part IV of the Administration and Probate Act is de facto partners. That is because the de facto partner has no claim, even though he or she may have lived with the person for many years, to all intents and purposes living as husband or wife. That is not a good social situation. Not only does it discriminate against the de facto partner, but also it may discriminate against the partner and any children; although in the normal course of events some provision may be made for the children of the deceased.

I move to what is probably the most important and most frustrating omission from the bill, which I believe is based on political grounds, not sound social policy grounds. For reasons the opposition finds difficult to understand, Victoria is the only state that does not allow de facto partners to benefit from provisions in a will. All states except Victoria and Queensland recognise de facto relationships.

The other issue I address is that the bill does not provide for stepchildren; they are not a product of the deceased, therefore under family maintenance provisions they cannot receive anything, even though they may have lived in the house and been part of the family for a long time.

In an article in the Law Institute Journal of September 1986, Kerry Petersen, a senior lecturer with the Department of Legal Studies at La Trobe University, outlines the development and notion of cohabitation and social change and, most importantly, de facto relationships:

Once marriage became regulated by the state in the eighteenth century, British and later Australian society demonstrated disapproval of de facto unions by ostracising and ignoring people in these relationships. The legal system never overtly punished adults for ‘living together’; instead, it treated these relationships as purely private relationships which conferred no rights and duties. Children of these unions have until recently been branded with the stamp of illegitimacy and have suffered certain legal disabilities.

The next point is crucial:

The growth of the welfare state was instrumental in bringing about official acknowledgment of de facto unions in Australia. Current policy of the Department of Social Security now dictates that cohabitants have to be treated in the same way as formally married couples for the purposes of entitlement and disentitlement to pensions and benefits.

De factos have been recognised for a long time. I am concerned by the proposition put forward by the coalition today that it will continue to ostracise people in de facto relationships for the purposes of intestate estates. That is the proposition; there can be no other interpretation.

The opposition believes de facto relationships should be recognised for the purposes of intestate estates for a number of reasons; first and foremost because it is legally easy to include the provision in the bill. The government has only to copy all the other states to be satisfied with their handling and recognition of de facto relationships. Secondly, the opposition finds that although people in de facto relationships were once ostracised, it is now a common occurrence and is accepted. Furthermore, such relationships are recognised by the government in the granting of social security benefits. If there is recognition of de facto relationships at both government and community levels, then surely the government can provide for intestate estates.

I am sure honourable members will be surprised at the deleterious effect the non-recognition has on people. In 1986 there were an estimated 87,000 de facto relationships. I emphasise ‘estimated’ because I believe there were many more than that. For the last census many people who were in de facto relationships but who had been married would have declared their status as being married, as many of them would have been. However, that does not overcome the fact that they were in de facto relationships which they did not disclose.
Questions arise about definitions of time and what constitutes a de facto relationship. Today there are probably more than 100,000 de facto relationships; I would suggest the figure is increasing all the time because people are opting out of formal marriages either in churches or before celebrants where the ceremony is legal and not religious. People are opting for de facto relationships simply because of the unassailable fact that many social changes have taken place since the invention of the marriage contract.

Approximately 200 people — that is only an estimate — in de facto relationships die every year without making a will, and that is a significant number. It is difficult for people to find themselves in a position where they are not eligible for anything. Although one cannot determine the assets or property those deceased people had, by some formula it can be worked out that between 30 and 100 of those people would have had significant assets but no wills. That means a large number of people are being affected by not being catered for by the provisions of the Administration and Probate Act.

I shall draw upon some of the comments made by the present Attorney-General when debating the Administration and Probate (Amendment) Bill on 13 November 1990. With respect to de facto relationships she states:

There are two major provisions concerning de facto partners and relationships, and both suffer from the same defect. The bill attempts to put de facto partners in exactly the same position as spouses.

Heaven forbid that that should happen!

Most de facto partners do not want their relationship to be considered the same as a marriage. Nevertheless the Attorney-General or one of her advisers obviously believes that de facto partners should be treated the same as spouses, which because it is difficult to achieve has led to many of the problems with the bill. It is particularly difficult to achieve when a deceased person had both a spouse and a de facto partner. From a legislative point of view spouses are much easier to deal with because it is clear whether there has been a marriage; and under our laws one can have only one spouse at any time. The relationship commences immediately after a marriage ceremony. As the Attorney-General has found, not only in mark 1 of this bill but also mark 2, it is difficult to apply to de facto partners the same rules that apply to spouses.

It is difficult but not impossible. It is not that hard because every other state does it. In 1990 the current Attorney-General engaged in sophistry about how difficult it was to draft the bill. If she has any problem drafting this bill, I offer her my services; it is not that difficult. In the case of de facto relationships it is simply a question of proof. Of course it is not as easy as producing a marriage certificate which says that X married Y on such and such a date at St Brendan’s church in Flemington. However, other methods applied on a regular basis by the Department of Social Security and others can clearly establish if a de facto relationship exists. To argue — as the Attorney-General did on that day in 1990 and partly again today — that it is difficult to prove a de facto relationship is nonsense and should be dismissed.

I shall continue to quote her important dissertation:

... married relationships and de facto relationships are different. People choose one or the other to suit themselves; certainly they do not want them to be considered to be the same, despite the wishes of the Attorney-General or the government. To meet its objectives the government will impose a series of tests on de facto relationships; and unless the relationship passes the test, de facto partners will be as badly off under the bill as they are under the current law ...

It is an unsatisfactory situation. The Attorney-General said then as she does now, 'We don’t want to make any mistakes so we will not make provision for de facto relationships, because they are different!' The political imperative, view and feeling on the part of the Attorney-General, which comes through the bill and is heard in other places, is that one cannot begin to recognise de facto relationships because they are different. The Attorney-General’s lengthy speech dealt with the capacities of people to maintain a family home. Many different arguments were put such as the Women’s Electoral Lobby’s statements and withdrawal of support for the bill because it recognised de facto relationships. That is bizarre!

It is often forgotten by the government that it is not a matter of what the government believes. Political parties are often not as pluralistic as the community would like them to be. They can be made up of many different types of people. In the case of conservative parties, however, they are not so different. They have an agenda and they do not believe they should recognise the views that currently exist, which is why they are called conservatives. They want to hold on to the past and
maintain traditions. Unfortunately, although many things might have once been beautiful and true that may not now be the case.

A government must keep up to date. It has no right to pass judgment on people who have chosen to live in de facto relationships. If there were an economic cost to the state it may have that right but there is not. If some criminal offence is involved it may be, but there is not. No justifiable reason exists for not recognising de facto relationships. If the Attorney-General says now, as she said in 1991, there are difficulties because of the burden of proof on what constitutes a de facto relationship we have a simple solution, and that is to look to legislation interstate.

This question concerns me greatly because I care about people who die intestate. Unfortunately a message was not included in the minister's second-reading speech urging people to make their wills with care and responsibility, but no amount of debate here will resolve the problems. I have noticed a couple of problems that are not the Attorney-General's fault, but they are almost insurmountable. Those in de facto relationships must make a will or have everything in joint names, or they will not be provided for.

Parliament is abrogating its important responsibility to people in de facto relationships who, for whatever reason, do not make a will and choose not to be married. I am concerned and angry about the moralistic attitude that appears to have been taken by the government when there is a growing minority of approximately 25 per cent of the community who are in de facto relationships. Although there is no crime and no harm done the government still refuses to recognise de facto relationships because it cannot discard the past. It cannot face up to reality that there is a changing world that is no longer confined to the Judaeo-Christian tradition.

I shall refer to three case studies that are relevant to this topic. Case 1 is that of a 20-year-old man living with a 19-year-old fiancee. They own their house in joint names but the equity in the house is less than 10 per cent of its price. The couple have been living together for 18 months and the wedding day has been set — by government standards, they are about to be recognised as a legitimate couple — when the young man is killed in a motorcycle accident. Subsequently the young woman discovers she is pregnant. His superannuation is sufficient to pay the mortgage but the terms of the statutory scheme provide that it must form part of his estate — this is the important point — and although the young woman could be appointed an administrator of the estate she has to hold the estate in trust for her child who will be absolutely entitled to it at the age of 18 years. If she miscarries the parents of the young man will inherit. That is ridiculous! Those people decided to live together before they were married. I do not know whether they are perceived to be doing something terrible but this is something that goes on every day. People live together before they get married. It may not have happened in your day, Mr Deputy Speaker, or that of the honourable member for Benambra, but it happened in my day, it is happening today and it will continue to do so.

Case 2 involves a man in his 50s who migrated to Australia from Yugoslavia 15 years before his death. For eight years before his death he lived with a woman from Yugoslavia and her child who was three years of age when they first began to live together. He had bought a house before beginning to live in a de facto relationship. After his death, the estate passed to his sister in Yugoslavia, if she is able to be located. No family could be found, and the estate passed to the Crown. One would have to say that the woman he lived with is unlucky. It is a little like forgetting to buy a Tattslooto ticket the night your numbers come up.

Case 3 involves a man in a Victorian country town who married in the 1940s. When he returned after armed service overseas, his wife had disappeared. Some years later he began living with a woman but the cost and complexity of legal proceedings at the time deterred him from divorcing his wife.

Mr A. F. Plowman interjected.

Mr COLE — It was a lot harder to divorce in those days because one had to go through a lengthy process to prove one's spouse was dead.

Mr A. F. Plowman — Not after that sort of separation!

Mr COLE — It was still more difficult than it is now. This occurred prior to 1975.

The couple moved to another country town where neighbours believed they were married. All assets were subsequently acquired in his name. On his death his estate passed to his wife with whom he had not had contact for 40 years.
In all three cases, the surviving de facto partner had an overwhelming moral claim to the estate. A testator's family maintenance application would represent a consuming waste of money and in cases 1 and 2, would present significant technical difficulties. These cases are damning of the legislation, especially in the case of the young people who lived together before they were married. It is a common occurrence and it is not appropriate that de facto relationships are not accepted on moral grounds.

You may want to say you do not like it. These days the church would say it did not like it or accept it and that if people live this way they will not necessarily be allowed to be part of the church community. We in the broader pluralistic community cannot say that what happened to those people was their problem. We have an obligation under the Administration and Probate Act to address the issue. It is not hard to do. It is wrong that people have to suffer so badly because we in this Parliament, mostly on the government side of the house, have difficulty coming to grips with the fact that de facto relationships exist.

It is obvious from those histories that recognition in the bill would not do anyone any harm. It would resolve those types of problem, as it should; yet government members seem to be railing against it. Whether it is because people have not been properly informed, because they are innately conservative, because they are reactionaries or because it is inconsistent with their church philosophy is really neither here nor there. De facto relationships are a reality; they exist and they are increasing in number.

Unless we start enacting administration and probate legislation that recognises that fact we will never become a society that respects other people's rights, especially when those rights do not impinge on anyone else. No-one can rationally argue that de facto relationships in any way impinge on other people's rights. They are perfectly normal relationships. The only difference between a de facto relationship and a normal marriage is a marriage certificate and that it is not necessary for people in a de facto relationship to go through a divorce. All other factors would be the same between the two types of relationships.

As the Attorney-General said in her speeches in Parliament in 1990, to say that there is a difference between the two is stating the obvious to the point of it being obvious; but it is not as straightforward as that. The effect of them, an understanding of them and an ability to recognise them are the things we must look for in provisions concerning de facto relationships.

It has become almost a ritual event when Parliament sits for me to say these sorts of things. The government wishes to avoid looking at many things, when it could resolve simple problems by doing what is not unrealistic or unacceptable in the community. I do not think there would be a great ground swell of votes against the coalition parties if they recognised de facto relationships in the bill. There is nothing to be gained or lost politically; there would be no reaction or backlash. There would be no overt reaction against the recognition of de facto relationships for the purposes of administration and probate because by and large they are accepted in the community.

Recognition of what is already happening would not produce such a substantial change in the nature of society that there would be a massive ground swell of votes against either party, yet it would do much good. I therefore come to the conclusion that the government is full of reactionaries who are not prepared to face up to the reality of de facto relationships or anything else.

In the case of equal opportunity we are still, so to speak, waiting for Godot, for some recognition of equal opportunity in employment for gay men and women. Equal opportunity does not mean much these days; it has basically been removed. We have been waiting since prior to the election. The Attorney-General said we would have a review. That has not happened. The only review we got was the one that terminated Moira Rayner as the Commissioner for Equal Opportunity. It was an important issue for members of the gay community, which is a significant percentage of the community, that they be entitled to work and not be discriminated against on the grounds of their sexual preferences. That is what we were told.

It is not clear from the position the Attorney-General adopted in 1990 or from the bill whether she is for or against recognition of de facto relationships. Why does she not express a view and say she is either against them or that she supports them, rather than saying it is too hard or that it is up to the community. There are 1001 ways for a politician to get out of saying something. We want some commitment one way or other, not some sophistry that consultation is taking place.
Consultation ought to be real. The Attorney-General's idea of consultation is talking to her bills committee. That is not real consultation, that is talking to people who are either obsequious and suck up to you or who do the opposite because they want your job! That is a bit harsh. The bills committee has adopted a strong role, but it is not enough. There is a need for a proper consultation process.

If the issue is to be shelved yet again, put back into the too difficult, the 'I do not want to look at it' or the 'I do not believe in it' file, there should at least be something that resembles proper consultation. As I pointed out earlier, many of the issues to do with de facto relationships are serious. Many young people live together prior to getting married. It is not unusual — it is probably more the practice than not, except for the night before the wedding. If they have invested in property and so on and one of the partners dies, the remaining partner is in a difficult situation. It has a serious and deep effect on people.

The issue of de facto relationships concerns me greatly. It is poor form on the part of the government to shelve it again. It is time the government faced the hard ball. The Attorney-General has now come into the chamber to do that. The government should tell us whether it supports recognition of de facto relationships or not. It would be hoped we could then get on with enacting appropriate legislation fairly quickly.

My reasoned amendment is an effective way of addressing the problem. It puts a time frame on the situation. If there were any political flack, if the Attorney-General had to worry about losing an enormous number of votes in Kew because people there did not like de facto relationships, instituting a joint parliamentary committee to examine the matter would take much of the politics and any backlash out of the argument.

Apart from the need to cover de facto relationships and other matters, it is good that the amendments to the act are being made. I look forward to a change that will recognise de facto relationships.

Mr THOMPSON (Sandringham) — I support the range of constructive and worthwhile legislative reforms proposed in the bill that will benefit Victorians from Benambra to Bairnarring and Wodonga to Warrnambool — in fact, across the state. The bill has a number of far-reaching implications and its passage should not be delayed by one day.

The last review of the principal act took place in 1977. With the passage of time and the impact of inflation many people today have had their rights seriously eroded because their spouses did not make wills and because the former government did not have the will or resolve to introduce some long overdue changes.

I shall direct my comments to a number of main points in the bill, including clause 5, which relates to the storage of wills; clause 8, which relates to the opportunity for spouses to acquire an interest in the matrimonial home; clause 9, which relates to the increase accorded to spouses in the administration of intestate estates; clause 12, which will also increase the jurisdiction of the registrar to deal with the administration of estates — that is an important provision in practical terms; and clause 14, which addresses the effect of divorce on wills.

I understand that some of the matters to which the honourable member for Melbourne alluded should or may form part of the report of the Law Reform Committee in its review of the Wills Act, which I understand is due to be released next month. There will be ample opportunity to reflect on a range of those issues when that report is released and I do not propose to comment on that at length.

An Age newspaper article in 1989 reported that only 4 out of 10 people make wills. If that proportion relates to the more senior members of the community, the incidents requiring the intestacy provisions of the Administration and Probate Act are not of major concern. It is still important to note that all people, be they in marriages or de facto relationships, place a proper degree of importance on organising their financial affairs appropriately — the honourable member for Melbourne alluded to that.

It is important to realise that a number of problems will be overcome if people take the responsibility of obtaining proper counsel to ensure they have wills that deal with their personal and real property. The time of making the wills and their storage location are important. That importance is reflected in cases where people intend to have distributions that move outside a statutory scheme of distribution.

There would be myriad circumstances in the case law dealing with this area. It may be a mother who has lost the affection of her adopted son and proposes to distribute her estate to a neighbour, a friend or someone with whom she has had an enduring relationship over the years. It may be a
railway worker who visits a close friend or colleague suffering from multiple sclerosis and, as a consequence of the support provided, the sufferer chooses to leave his substantial estate to his friend rather than to members of his immediate family.

For perfectly sound and proper reasons, a mother may wish to favour one child over another. In such cases if there is no will or if the original will is destroyed or lost it is not possible to give effect to the intent of the testator.

Historically the Registrar-General's Office has been a repository for wills. I understand it now has some 16,500 wills in its collection and an additional 1,500 wills that date back to the First World War. It is instructive to note that in the past four years only some 25 people have taken advantage of lodging their wills at the office of the Registrar-General.

In many circumstances people know where people's wills are kept. If a person has a fixed abode, he or she usually has a network of friends and family who are aware of that person's financial circumstances and method of personal estate planning. However, in the case of a person arriving from overseas, a person whose immediate kith and kin have predeceased him, or someone who has an itinerant lifestyle, it may not always be possible to entrust the storage of a will to close friends and relatives.

Usually a will would be stored and located at home, with an executor, at the bank or at the office of a solicitor. However, previous provisions enabled wills to be stored with the registrar-general and provided an opportunity for people to ensure that their wills were located in an appropriate place.

For the benefit of honourable members, I point out that prior to people administering estates, they had to undertake searches at the office of the Registrar-General to discover whether other wills existed and work out whether they predated or postdated existing wills, if there were any. It provided a worthwhile means of ascertaining the intentions of testators if those intentions had been expressed in writing.

The change of storage from the Registrar-General's Office to the office of the Registrar of Probates is a sensible and worthwhile reform. I trust people will use that method of storing wills as it will ensure their affairs are properly conducted after their deaths.

Clause 5 inserts some new provisions in the principal act. It proposes that the storage location for wills be transferred from the Registrar-General's Office to the Registrar of Probates. Proposed new section 5C provides for the subsequent delivery of wills by the registrar to the testator, a solicitor or a trustee company nominated by the testator and gives the registrar a number of powers to ensure he is handing the will on to the appropriate person. Proposed new section 5C(4) states:

If there is any doubt as to whom a will should be given, the registrar, or any other person, may apply to the Court for directions as to whom the registrar should give the will.

Earlier I alluded to a number of circumstances where the location and, in turn, the dating of wills may be important in determining which will should prevail. That is of fundamental importance. The Age article to which I alluded earlier suggested that, if they were aware of a will that precluded them from obtaining a share of the estate, relatives of a deceased person may take it upon themselves to destroy the document and consequently, in accordance with the rules of intestacy, they would become beneficiaries. Proposed new section 5A will have the sound and worthwhile effect of ensuring that such circumstances do not eventuate.

The bill provides for a spouse to acquire the interest of the intestate in the matrimonial home. Section 38 of the Administration and Probate Act provides the opportunity for and imposes an obligation on the administrator in the event of the person dying to call in the assets of the estate, which often meant that the family home had to be sold to comply with the requirements of the act. The reform will enable the spouse of any intestate to have first option of buying the property.

Proposed section 37A(7) provides that if the spouse elects to acquire the intestate's interest in the matrimonial home two things will happen: his or her share in the estate will be reduced by the value of the interest; and if the value of the interest in the property exceeds the entitlement in the estate, the spouse is given a reasonable time — some 12 months from the making of the election to acquire the interest — to organise his or her affairs to raise the necessary finance to acquire the interest. That is a valuable reform.

In addition, there will be a further reform pursuant to clause 9 which will insert a new section 51 into the principal act. In essential terms it increases the value
or entitlement of the spouse of an intestate from $50,000 to $100,000. This is an area of the law which will have immediate benefit for Victorians by enabling them to acquire a greater interest — an increase of $50,000 — as soon as the law is enacted. The increase is due to an adjustment for inflation since 1977 when that monetary quantum was last increased. It is hoped that in the future the legislature will have the opportunity of ensuring that provisions such as these will keep pace with inflation and other circumstances so that the people whose spouses died yesterday or today and those who die in the weeks before the bill is enacted as law will not be prejudiced because the statute does not reflect the present value of real estate and the dollar.

It would be worthwhile to monitor this circumstance so that there can be a regular review, perhaps on a five-yearly basis, as the livelihood and means of support of many Victorians are dependent on a worthwhile reform in this area being undertaken regularly.

Clause 12 outlines amendments to the principal act. Formerly when a person died leaving issue the Registrar of Probates could intervene only if the estate were valued at $15,000 or less. That figure has been increased to $50,000. In the event of the person dying leaving a small estate — formerly $15,000 and now up to $50,000 — if the value of the estate exceeded that monetary quantum the surviving spouse would generally have to pay for a solicitor to apply for a grant of probate so the estate could be administered and distributed.

Often the people who were reliant upon the terms of the provisions were family members looking after elderly parents who had spent most of their lifetime income in raising their children, looking after their own needs in old age and providing for the needs of children and grandchildren, and consequently the estate was diminished.

The elevation of the threshold from $15,000 to $50,000 will mean that, as I mentioned at the lively beginning of my contribution to the debate, many people living in areas from Wodonga to Warrnambool will have the benefit of the provision and will be able to save a significant sum of money — I have suggested it may be between $400 and $1000 — in administration costs because they can now go along to the Registrar of Probates and he will administer the estate; alternatively, they can go to the registrar of the local Magistrates Court. If the estate becomes a complex one the registrar can elect not to administer the estate, and that provision is outlined later in the bill.

I turn now to the provision covering the effect of divorce on a will. Honourable members will be aware that the marriage of two people has the effect of revoking an existing will. I am sure there were public policy reasons for this, so that in the event of anything happening to the husband or wife following marriage the operation of an earlier executed will did not serve to deprive the spouse of the assets of the estate, which would be intended to pass from one to the other. However, the law was not clear cut in relation to an estate where a couple may have separated and the estate needed to be distributed. In the event of there having been a will that distributed the estate to a spouse with whom the testator was no longer living and who may have incurred further responsibilities by way of children or issue deriving from a de facto relationship which had not been regularised there could be the unintended consequence of the estate being distributed to the former partner.

New section 16A inserted by clause 14 provides that the dissolution of a marriage revokes any disposition made in a will in existence at the time the marriage ends by a testator to the testator’s spouse, and there are a number of ancillary provisions. The provision does not apply to any disposition, appointment or grant if it appears from the terms of the will that the testator did not want the disposition, appointment or grant revoked on the ending of a marriage.

In the drafting of a will made in contemplation of marriage it was customary to describe that the arrangements had been made in contemplation or anticipation of the marriage of the parties. However, it is unclear from the drafting of the bill what is intended by ‘being made in contemplation of divorce’. However, I would anticipate that the application of the provision can be construed from the overall circumstances of the will, so that in the event of divorce an existing will that had inappropriate distribution is revoked but a will made subsequent to the separation and prior to the divorce and which distributes the testator’s worldly goods and real and personal property to reflect post separation circumstances does not end up being overridden. I would be interested to observe the operation of that provision.

In conclusion, I believe the proposed law will introduce significant reforms that will benefit Victorians by providing, firstly, for an effective
registration system which will hopefully see an increase in the reliance upon that provision. It will increase the rights of a spouse by enabling him or her to acquire an interest in the matrimonial home prior to the estate being wound up for wider distribution. It will increase the monetary entitlement of a spouse, which should be a matter for ongoing review. It will provide the opportunity for the Registrar of Probates to administer small estates, which will have widespread benefits for Victorians.

Finally, it will enact a new legislative provision that will serve to overcome an anomaly that may have existed in the past when in the event of divorce an earlier will had not been revoked. Technical legal questions may be asked as to whether the provision should properly become operative on the grant of decree absolute rather than the decree nisi. Some interesting legal questions about the effect of the passage of time between those two dates will arise, but I trust that not too many Victorians will be deprived of their worthwhile entitlement because they have to rely on the latter date. I commend the bill to the house.

Ms MARPLE (Altona) — Although the opposition supports the Administration and Probate (Amendment) Bill, it is worried about what is missing from it. It is an important bill because it deals with something people usually do not want to think about — that is, the fact that our time here is short and we should provide for those closest to us when we take that final step and leave this life.

The bill is also important because it amends the original act to ensure that it keeps up with the times. The honourable member for Sandringham pointed out the important parts of the bill. I am pleased that those changes are being introduced because the matters they deal with have caused great stress for many people over the years. It is the responsibility of this house to amend legislation when society's attitudes change. The bill alters the monetary limits in the act and changes provision regarding where wills are to be deposited. As the honourable member for Melbourne said, that will mean less walking for some articled clerks. What is more important of course, is that it will result in the better recording of wills.

The bill also allows for the possibility of the spouse of a deceased person to stay in and purchase the deceased spouse's portion of the matrimonial home when he or she has not been provided for by the leaving of a will. As the honourable member for Melbourne said, the bill does not deal with the issue of people who are asset rich and income poor and who would be unable to purchase the spouse's share of a matrimonial home. That can often be the case for older people who do not have an income. This bill is particularly important for women because they usually live longer than their spouses and are often the ones who are left behind.

It is particularly important that the bill is being introduced in the International Year of the Family, a year in which we are being bombarded with the image of the ideal family consisting of a mother, a father, a couple of children and grandparents. People know that family matters can be tricky. Although it is good that people live as families, they are not always happy. Sometimes it is difficult when the rosy picture does not match the reality, and wills and the failure to leave a will create problems for families.

Many people hesitate to make a will and die without having made one — I am sure no honourable member would do that. On the many occasions I have discussed the subject with my children I have told them that they do not have to worry because I will be leaving just my Bankcard and an overdraft! I have never been a recipient under a will, but I have participated in the administration of a will that resulted in many difficulties. I hope that this bill ensures that those difficulties are reduced.

The honourable member for Melbourne referred to the difficulties and problems of divorce. He said that it is often thought that because a divorce changes the conditions of a marriage contract — which is perhaps the most important contract that most people enter into in their lives — everything that goes with it is broken also. That has not been the case but the bill changes that.

The honourable member for Melbourne also said that the bill does not deal with de facto couples. Although the minister has said that the matter will be considered later because this bill is only the first step in reforming this area of law, Parliament should not only legislate to reflect society and what people are happy with but also it should help to change attitudes by sending a powerful message to the community through law reform. This morning during the grievance debate I spoke about lesbian and homosexual couples being accepted as part of society. Such couples are discriminated against, and as legislators we should make every effort to ensure that such discrimination is not part of our society. Unfortunately, the bill does not tackle
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discrimination. The government has the opportunity of sending to those couplings society does not consider normal the message that it is prepared to tackle the issue.

I am a strong advocate of marriage. I was fortunate enough to celebrate a milestone in my marriage last week and during my marriage I have received great support. I wish every couple could have the benefits I have enjoyed, but that is not the case. My marriage took place in a church but many people are united in other ways — my children and my nieces and nephews are entering relationships that are not considered conventional and have been married in what society would consider unconventional ceremonies.

I am pleased that society is now accepting other couplings, loving relationships between two men or two women or between more than two people. I am pleased that society is more tolerant of de facto relationships than it was 20 years ago or even 10 years ago, but I am disappointed that the government has not taken the opportunity, through the bill, of telling society that people who are in relationships outside the norm should not be discriminated against.

The hairdressing salon is a place where one often hears interesting issues affecting the community. The other day when I visited my salon a person attending a woman in her 80s said that her husband had left a message. She said immediately, 'That isn’t my husband, but my de facto of some 30 years’. She then explained that her husband had died some time ago, and from her comments I understood that she drew an important distinction between the relationship she now had and that which existed between her and her deceased husband. I did not ask the elderly lady if she had made a will. It would be unfortunate if she were one of the many people who may die intestate. The bill should rectify problems associated with living in a de facto relationship.

I support the reasoned amendment moved by the honourable member for Melbourne. It is strange that the Law Reform Committee, whose members have considerable capacity in this area, have not been asked to consider and report on this issue, because it cannot be said that alternative coupling arrangements have not been discussed by society. In my time as a funeral arranger I have had to help families during the grieving period sort out probate problems, and I know from experience that it is not the best time to discuss whether one's mother or father should sell the family home. I am pleased that the bill will assist people in that way.

Until today I did not realise that almost 25 per cent of couples have not been married in the traditional way, yet the bill does not address the issues that affect those people. I stress that Parliament should lead social debate on certain issues, and although I do not expect the Attorney-General to vote for the reasoned amendment I ask her to allow committees of Parliament to examine legislation before it is introduced. Law reform should benefit the community, and one way to do that is to enshrine in legislation the principle that discrimination is not part of a democratic society.

I support the bill and ask that honourable members support the reasoned amendment. If they do so, they will assist in making the bill more complete than it is at present.

Dr DEAN (Berwick) — I note the support for the bill of the shadow Attorney-General, the honourable member for Melbourne. Although he supported everything in it, he also commented about aspects that are not in it. Debate is always interesting and open ended when honourable members disagree and debate matters that are not in bills, particularly when such matters should be self-contained in a separate bill, as is the case in New South Wales and other states. The government greatly appreciates the support for the bill of the honourable member for Melbourne. It is certainly not a bad start.

Probate law is a depressing area of the law; I have never understood why practitioners become so absorbed in it — some morbid connection I am sure! However, it has become a specialist field surrounded by special court procedures, special rules and special lists. It has become so complicated and intricate that special days of the week are set aside for the hearing of probate applications. Understandably, within the profession, there has been some resistance to change. That is because it is a very legalistic field; it survives on fine distinctions and interpretation — a lawyer’s delight.

It is hard for those who are part of or get caught up in the process to understand why seemingly simple and straightforward matters can appear to be so complicated. It has led to a number of cynical comments. One London silk once wrote at the beginning of his advice on a matter concerning probate law that his client had left the bulk of his fortune to his lawyers and that, if everyone did that, a lot of time would be saved!
Despite all the legalities and difficulties surrounding this area of the law and its specialist nature, rules are important, particularly to those who are left behind, such as wives and children. To them these issues are matters of survival. They can also lead to bitter recriminations between those who are either left out of the will and believe they have been close to the deceased or those who believe benefits have been given to those who ought not to have received them. As a consequence, although this area of the law is complicated and difficult for those involved, it is clearly an important part of our legal system.

Many types of wonderful wills have been devised; often they present an opportunity for the deceased to say in death what could not be said in life. Wills can be vindictive and cause the courts a great deal of trouble. Their emotional and financial effects on the living must be taken seriously. Given that a testator is not present to advise the courts and those trying to determine his intentions, it is important that the courts are able to determine efficiently and quickly — but nevertheless accurately — those intentions.

One concludes, therefore, that we need to simplify the law without interrupting the high level of interpretation that the parties involved require. The bill goes part of the way down that road. A number of speakers have referred to a special subcommittee of the Law Reform Committee, which is at present working on that aspect.

Before examining specifically the provisions and the first step in the rationalisation and simplification of the law relating to wills, administration and probate, I point out that other matters are worth noting. If you were to ask people in the street the likely distribution of their money and property if they were to die intestate they probably could not answer. They probably could not tell you how much would go to the wife or to the children. If there were no children, they probably could not tell you where their property would go.

However, one aspect is clear: if they took the trouble to find out what happens on intestacy they would discover that not only is it an extremely complicated process but also that, had they written a will, that would not have been where they wished their property to have gone. That is absolutely certain.

While examining this topic — particularly the amendments that simplify and change the law on intestacies and other matters — it might be useful to read a short extract from a Herald article written in 1986 which sets out what happens to money and property if a person dies without making a will:

If you are clumsy enough to die intestate (without making a will), your estate will be distributed according to the Administration and Probate Act, which sets out a ‘parliamentary will’.

Under the act, your estate would be distributed among your surviving spouse and ‘issue’ — children, grandchildren and so on. If there are none of these, it would go to your nearest blood relatives.

The distribution prescribed is arbitrary and rigid. It makes no allowance for special circumstances, like the fact that you can’t stand half of your family. The statutory provisions set out preferential rights for the spouse. Where there are no issue, the spouse gets all of the estate.

Where a spouse and issue survive, the spouse gets the personal chattels and the remaining value of the estate, up to $50 000. Where the value excluding the chattels is more than $50 000, the spouse gets the chattels, the first $50 000 and one-third of the remainder. The issue receive the other two-thirds.

Subject to the rights of the spouse, the estate is distributed equally among:

- The intestate’s children and grandchildren from any child of his who has died before him. These take, in equal shares, the share their parent would have taken if he or she was living.

All of the intestate’s issue stand in the place of their parent or other ancestor. This process, known as ‘representation’, means they take in equal shares the share that their parent or other ancestor would have taken.

Children of surviving issue do not share in the estate. If there are no surviving spouse or issue, the estate goes in equal shares to the parents. The intestate’s brothers and sisters rank next, followed by grandparents, nephews or nieces, uncles or aunts and great grandparents. If there are none of these, it goes to the next of kin.

Kinship is usually determined by counting the number of steps from the intestate up to the common ancestor and then down to the relative.

But there are three exceptions:

- Brothers, sisters or their children taken as representatives of deceased brothers and sisters rank before grandparents.

- Kinship is usually determined by counting the number of steps from the intestate up to the common ancestor and then down to the relative.
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If the next of kin are nephews and nieces, they take an equal share each, rather than as representatives of their parents; and

If the next of kin are further removed than nephews and nieces, representation does not apply. If they are great-nephews and great-nieces, the children of any who died before the intestate do not participate as representatives.

Shall I go on? I think that makes the point. If you do not leave a will you will probably have no idea where your money is likely to go. Even if one were to study the subject with a fine tooth comb, one would probably not know. These matters are complex and require simplification. Up to 30 per cent of people do not sign wills, therefore we must ensure that provisions for intestacy work are in accordance with what is required by society.

The honourable member for Melbourne referred to de facto and why the government has not addressed that in the bill. It took the Labor government four years to introduce the de facto legislation, and in comparison this government is not doing badly.

As the honourable member for Melbourne so expertly pointed out, the legislation the former government introduced was not accepted. It was so confused and conflicting that it was not appropriate. Legislation dealing with de facto relationships is extremely complex. The honourable member for Melbourne does not think so, he says that it is easy because all one has to do is copy the other states. That honourable member aspires to becoming the Attorney-General of this state one day. He perceives that getting over difficulties in the legislation for Victoria involves simply picking up the legislation of other states. I remind the honourable member for Melbourne that there are examples too numerous to mention where, had Victoria picked up in such a superficial manner the legislation passed by other states, it would be suffering from some of the difficulties they now face.

Prior to the honourable member’s speech, I had not looked at the legislation of other states, but I have now looked at that legislation. If one compares the provisions of the New South Wales Family Provision Act dealing with de facto relationships with the provisions of the New South Wales Probate and Administration (Amendment) Bill, one sees that the definitions in those interconnecting but entirely independent pieces of legislation are different. Some terms used in the New South Wales act are almost impossible to legally define. Were such terms to be used in the Victorian legislation, complex disputes in the probate division of the Supreme Court would arise. To add to the current problems by superficially extracting provisions from the legislation of other states would be disaster. For example, ‘eligible person’ in the New South Wales Family Provision Act means:

(a) a person who:

(i) was the wife or husband of the deceased person at the time of the deceased person’s death;

(ii) where the deceased person was a man, was a woman who, at the time of his death, was living with the deceased person as his wife on a bona fide domestic basis.

Any lawyer worth his salt could run a case for about three or four days arguing what constituted a bone fide domestic basis. One would start with ‘domestic’, which would be a minefield, and then, having brought the case to its knees, one would enter into argument about the definition of ‘bona fide’. Perhaps they are the only terms that can be used, but certainly it is not something one should pick up from another state and run with because it requires a period of intense effort and research to come up with proper legislation. I suggest the honourable member for Melbourne is treating the definition of ‘de facto’ on a superficial basis.

The legislation takes the first step in simplifying and putting the law with respect to administration and probate on a simpler plane. The first area with which the legislation attempts to grapple is the Supreme Court rules. Until now they were a separate body of rules found in a separate part of the Supreme Court regulations. They were understood only by those full-time practitioners who operated in that area, and it was absolutely essential not only for the rules to be simplified but for the mystery surrounding them to be removed. That has been done and it is a welcome change.

The registration of wills is another change not before time. I am surprised that the honourable member for Melbourne commented on whether provisions dealing with de facto relationships should be included. Why were these changes not made by his party when it had the opportunity? I suppose he would simply say that provisions in relation to the registration of wills, the simplification of the Supreme Court rules and other matters were not regarded by the Labor government as a priority.
The registration of wills will allow those people who wish to obtain information about a will to find out where it is and will enable them to get hold of it quickly. That is important because not all wills go to probate. Often those that do are delayed for such a long period that the parties who are keen to find out whether they have some part to play in a will simply cannot get hold of the will. Until probate takes place the will does not become open to the public. The provisions in the bill are a welcome step towards all wills being kept in one spot.

Clauses 7 and 8 of the bill go to the heart of the changes with respect to the position of a spouse. In the implementation of a will no party is more important than the spouse and her children and nothing is more central to the quick determination of a will than ensuring that the wife who is grieving following the death of her husband and trying to cope with devastated children has immediate security and assistance. In those circumstances her home, which is a shelter for her and her children, is central to her life. I cannot stress how strongly I applaud the change that will quickly and efficiently bring her the security of knowing that she has a home for herself and her children after the often unexpected death of her husband. The change to increase from $50,000 to $100,000 the amount she is entitled to receive comes not before time. The provisions in the bill simplify the law and give her some protection from intestacy.

Clause 10 concerns caveats, and it is time the provision was changed. For unknown reasons caveats on wills in probate are different from caveats lodged on the sale of land. Their purpose is to bring a matter to the attention of the parties and the courts so it can be dealt with expeditiously. If a measure frustrates the situation by reversing the intention of the legislation and makes the estate more difficult to distribute, something has to be done. That was the situation. Caveats need to be dealt with quickly. A person who thinks he or she has a claim on a will or wants to raise a matter in respect of the way a will has been written should be forced to bring the application before the court expeditiously. To limit caveats to a six-month period is a good step, as is the ability of the registrar to say, 'Within 30 days you have to tell me what you think is wrong with the will or what gives you a claim, and if you cannot do that I will remove the caveat'. That is the way it is done with the sale of land and it is the way it should be done with wills. The change simplifies the law and makes it more practical.

Clause 14 refers to a will being revoked on dissolution of marriage. That matter has been in need of change for some time. I am not sure whether honourable members realise that under the present act a will is revoked upon marriage but not upon divorce. The circumstances should correspond. The Family Law Act requires that on divorce the Family Court determines the financial relationships of the parties to the marriage, and clause 14 is appropriate to deal finally with a divorced partner's property rights. It deals with the circumstance of finding that the deceased's will unexpectedly effects a transfer of property to the person he divorced some time earlier.

There is no doubt that the amendment will achieve its objective. It simplifies the law and makes it more practical, and it avoids the traps of specialist lists and rules. The Attorney-General and the various members who have spoken on it have pointed out that the Law Reform Committee is investigating further reforms. Certainly the matters raised by the honourable member for Melbourne in respect of de facto relationships have to be examined carefully. They cannot be treated in the cavalier fashion in which he wishes them to be treated. Whatever he thinks of the bill introduced by the previous government, it was inappropriate and inadequate. This government can and will do better.

Mr LONEY (Geelong North) — I hesitate to follow so many illustrious legal friends in a debate such as this. I do not know the collective noun for a group of lawyers, and I am reluctant to offer suggestions — —

The ACTING SPEAKER (Mr Richardson) — Order! A cacophony of lawyers?

Mr LONEY — Perhaps that is it, Mr Acting Speaker. I feel somewhat less secure than usual because my friend and colleague the honourable member for Doncaster usually assists me when I venture into legal matters, and his assistance is always appreciated.

In his opening remarks the honourable member for Berwick censured the honourable member for Melbourne for daring to suggest that something more might be done to the bill. It seems to me that the minister has a restricted view of the operation of the parliamentary process. One has an unnecessarily restricted view if one thinks that the opposition's only role is to agree or disagree with bills and that it is not permitted to suggest that a bill might have included this or that matter or to offer a positive view about what the government should be doing.
In two years time, when the honourable member gets the opportunity to sit on the opposition side of the house, he may reflect on his remarks and find that a bit more is involved in being in opposition than he suggested.

The legislation deals with an important issue. Heightened emotions are involved when the problems the bill addresses come into play. Many people are seriously affected by the application of provisions relating to wills. The questions being addressed certainly need addressing. However, for several reasons I support the reasoned amendment moved by the honourable member for Melbourne. As has been pointed out, a parliamentary committee is examining the questions relating to de facto relationships and is well on the way to reporting to Parliament. Its report is due by the last day of this session, and I expect that it will arrive well before the last day of the session.

It is worth pointing out that the committee has assembled considerable expertise and expanded its knowledge of the many problems relating to wills, and I hope the submissions it has received and its discussions will expand the knowledge of the Parliament in general.

Having said that it is important, and given the deliberations of the parliamentary committee, I can, however, see no reason why the bill was considered so urgent that it needed to be introduced prior to the parliamentary committee making available its report. The report may well have been a help to the Attorney-General had it been available prior to the drafting of the bill.

In examining those issues the committee is acting on a government reference. One would assume that, having given the reference, the government and the Attorney-General may have had some interest in the committee’s findings and recommendations.

The honourable member for Melbourne said the bill contains highly desirable provisions. I thoroughly concur with his opinion. The increase in the amounts payable by an employer to a deceased estate is one of those desirable provisions. The bill recognises realistic amounts and addresses the problem raised by the honourable member for Sandringham in speaking to another clause — that is, the effect of inflation on amounts written into legislation. If that problem were not addressed, people could be greatly disadvantaged.

The provision allowing the spouse of an intestate person to purchase the matrimonial home is supported by opposition members. Apart from being a reasonable legal measure, it has some degree of humanity about it. The honourable member for Melbourne validly raised the question of those who, due to their incomes, simply do not have the capacity to raise the finance to buy their family homes. Most of those people would have some difficulty in the first place because they would believe they owned the homes. They would deem it a further injustice if they were deprived of their homes because of an inability to raise finance due to the lack of an adequate income stream.

I realise that it is difficult to deal with. Maybe this problem is as hard to solve as the problems other speakers have raised in speaking on other clauses; nevertheless it is worth recognising. The whole question of intestacy requires comment. I have listened to government speakers saying that the problem would be overcome if people made wills. That is a truism: there would be no problems if everyone had a will. That is a simple but simplistic solution because, regardless of our hopes and best endeavours, there will always be people who die without leaving valid wills.

Some aspects of the bill pick up the matter of intestacy, and it is correct that they do so. However, the failure to recognise de facto relationships is a glaring omission; and regardless of what previous speakers have said, there is no reason why the matter could not have been dealt with in the bill. The issue cannot be ducked and avoided. The government cannot keep pushing it off the end of the table, hoping that the mess will be cleaned up by someone else before the government comes back to it. The government must face up to the issue.

One speaker said that 200 cases a year concern de facto relationships affected by death. That significant number of cases suggests that it is about time we faced up to the issue and did something about it. So long as the issue is not addressed, many in the community will be hurt because their relationships will not be considered legal and legitimate for the passing on of property. The matter should not be placed in the too-hard basket, even though a number of government speakers have suggested that that is where it belongs.

My experience as a layman is that if they wish to lawyers can make anything complicated. That was confirmed by the previous speaker’s talking about lawyers being able to drag out cases if they want to.
LISTENING TO LAWYERS SUGGESTING THAT THIS SHOULD BE PLACED IN THE TOO-HARD BASKET TEMPTS ONE TO SUGGEST THAT THEY HAVE A PECUNIARY INTEREST IN SUCH A DECISION.

Mr Mildenhall — The hourly rate!

Mr Loney — Yes, the hourly rate — or even the verbiage rate! Other governments have considered the issues, reached conclusions and dealt with them in legislation. They have done what this government should do — that is, protect the members of its citizenry. Other jurisdictions have shown themselves capable of dealing with the issue. I see no reason why Victoria should not be able to come to terms with it.

The government seems to be having a great deal of trouble resolving the issue. One suspects the problem is not so much a legal technicality or difficulty as it is a matter of morality and commitment. The government, particularly earlier in its term, spoke a great deal about its commitment to giving people freedom of choice in their private lives. That rhetoric was heard time and again. The government’s failure to address the problems de facto couples have with wills runs counter to its rhetoric. The government may not like people’s choices of lifestyle, but that is not a valid argument for doing nothing about the problem.

We in this place have a responsibility to act on behalf of our overall citizenry, and in this instance we owe a duty of care to those people.

As other opposition speakers and I have said, the general thrust of the Attorney-General’s introduction of this bill is desirable and in many ways commendable. Along with the honourable members for Melbourne and Altona I have to say that the failure to address that single issue leaves a large hole in what the government is doing and perpetuates an injustice that should be fixed.

Mr Seitz (Keilor) — I support the amendment moved by the honourable member for Melbourne, because I believe the bill does not go far enough. I shall illustrate my point with the story of an experience I had in my electorate with a constituent. As all honourable members would know, my electorate holds a large community of people who migrated to this country from overseas in the early 1950s and 1960s. Some of these people have now passed away, leaving properties behind with no relatives to inherit them.

In this case a husband died leaving a will and, as the honourable member for Geelong North illustrated, the legal fraternity did not carry out the transfer of the estate to the wife. That was discovered by the widow’s de facto partner only after she passed away suddenly without leaving a will.

Five years later the house is sitting there empty: interest is accumulating on unpaid rates, and no insurance premiums, water rates or other expenses have been paid on the property. The de facto partner who is left behind has taken care of the house, and so have the neighbours. The police have no say about the key to the property or anything else, but the work of the legal fraternity grinds away. Lawyers come and go and the case does not progress.

In this instance the person concerned was of European extraction and because it had been a de facto relationship, was a bit scared about claiming the property. Instead of doing that he came to my office and said, ‘The woman has relatives overseas. I’d rather let them have the property than me. I am well off. I have my own property, and I don’t want to get involved in the hassle of claiming a de facto relationship and applying for the assets of the estate’. So he went off to a local legal firm called Hughes Watson and Co. who agreed to handle the case so he could at least arrange for his de facto partner’s overseas relatives to inherit the property. However, as it always turns out with the legal profession, their attitude was, ‘Oh well, you have no say in it anyway; we’re not going to take any notice of you’.

A number of letters were sent overseas to get the power of attorney to enable the lawyers to act and, as I said, the matter still has not been resolved. The property is still sitting there; nobody is responsible or accountable for it, and I ask that this matter be looked at somewhere along the line, either when this bill goes to the upper house or even at the committee stage. There are many similar cases to that in the migrant community where properties are left without relatives to inherit them, and whether or not there is a will there must be some authority to take charge of such properties and assets.

It is fortunate in this person’s case that no squatters have moved into the property. There have been two break-ins and some damage, but luckily neighbours have been looking after the property and keeping an eye on it. It is clear that had that estate been settled and the property sold four years ago it would have brought a good price because the values of
properties were far higher than they are today. Under this government the prices have dropped by 40 per cent. Therefore, the potential inheritors — a brother in Canada, one sister in Germany and the other in Austria — are losing money.

On top of those matters is the interest that the council and Melbourne Water are going to charge on the outstanding accounts. I further point out that the property is unoccupied; it is not even being rented out for somebody to be a caretaker to it.

I ask the Attorney-General to look at that situation because this is a matter that is inevitably going to occur more often in Victoria, particularly with post-war migrants who die leaving no immediate relatives in Australia. I point out that there is the further difficulty of dealing with matters that concern people overseas, and it takes a long time.

As was mentioned earlier, de facto relationships are strange to a lot of migrants. They are honourable people and, although some have relationships in the twilight of their lives with other partners so they do not have to live alone, they do not wish to get hold of their partners’ property. They wish to assist and allow the relatives to inherit the properties, but find it difficult to deal with the legal profession.

These people are fearful of giving instructions to their lawyers. In this case the person had been advised to be careful with the legal profession and had been told, ‘You might lose your house because the legal costs are so expensive and the case may be dragged out for five years’. In the end, after doing the right thing and being considered a gentleman within the circle of his friends, the man finishes up living with the fear of his own property being sold just to pay the legal costs.

Since then this person has gone to see whether the State Trustees can assist because the suburban lawyers in St Albans have not done their job. As I said, two legal firms have been consulted and neither has carried out its job. I suppose legal firms would not get away with it in the eastern suburbs; however with the migrants in St Albans they can get away with their legal mumbo jumbo while at the same time running up the clients’ bills. I even received a bill for sending an inquiry letter to the legal firm that represented the constituent to expedite the case. The solicitor then advised me that if I had made a phone call it would have cost me less because they then had to respond to my letter — the audacity! I have since written to the German Consulate asking for assistance in this case.

As I said, it is a big problem that migrants face in this country, and I urge the Attorney-General to take that matter on board. The de facto relationship is not something that migrants are familiar or comfortable with. There should be a simpler way put forward or an education program available to assist migrants who have no relatives in Australia to turn to, because it is important that they expedite inheritance matters for family members overseas.

Mrs WADE (Attorney-General) — I trust that I can both address the reasoned amendment moved by the honourable member for Melbourne with the support of opposition members and respond to the points made by honourable members on the bill.

I would like to thank all honourable members who participated in the debate: the honourable members for Melbourne, Sandringham, Altona, Berwick, Geelong North and Keilor. I was very pleased to have such interest in this piece of legislation, particularly in view of the fact that some of it has been around for some considerable time.

Firstly, I shall address the matter of the reasoned amendment moved by the honourable member for Melbourne, who suggested that I had pre-empted the wills report by bringing the bill into the house prior to that report being made and that I should have referred it to the wills subcommittee of the Law Reform Committee.

The honourable member has also provided the reason that I did not do that by suggesting that if I had done so the wills subcommittee would have recommended the inclusion of the provision relating to de facto partners.

I have to say I have not travelled down this train of thought. As it happens, it did not occur to me to refer the bill to the wills subcommittee. It seems to me that wills and administration and probate are two separate although related subjects and that they are contained in two separate acts. It did not cross my mind to refer the bill to the Wills Subcommittee of the Law Reform Committee. Also, for reasons I will refer to, it is not desirable to hold up the legislation, which has been around in one incarnation or another for some time. The greater part of the legislation was introduced by the former Labor government and was before the house for almost two years. It should have received urgent treatment at that stage.

Although I do not intend to refer the bill to the subcommittee, I advise the opposition that I have
got the message: honourable members opposite believe provisions relating to de facto partners should be included in the Administration and Probate Act and should have been included in the bill. I agree that we should do something about de facto partners, just as I agreed with that proposition in 1990. I am already working on proposals to address that issue.

The general consensus among all honourable members who spoke on the bill was that all the provisions are highly desirable. Honourable members supported proposals allowing the making of new Supreme Court rules to simplify administration and probate procedures. Every honourable member agreed with the increase in monetary limits, although the honourable member for Melbourne thought increases should have been greater. The increases are in line with inflation. Those provisions should not be allowed to get out of date. It is reprehensible that the provisions have not been amended since 1977, because that has meant that the money limits applying in certain circumstances have not kept pace with inflation and have not operated as they should have done to assist people.

Every honourable member agreed with the proposal that a will should not survive a divorce intact and that any provisions in a will leaving money to a previous spouse should fail as though the previous spouse had predeceased the testator. I point out to the members of the wills subcommittee that the Wills Act could contain a provision specifying that a will can be made in anticipation of a divorce — just as it can in the case of a marriage. A will such as that would survive a divorce. Amendments to the Wills Act could encompass that provision.

The provisions applying to circumstances where a matrimonial property forms part of an estate and where the surviving spouse is allowed to exercise an option to take over the matrimonial home and so set-off other moneys inherited from the estate also received support from all honourable members. The honourable members for Melbourne and Altona suggested that it did not go far enough and that not enough people could exercise that option. The honourable member for Melbourne said we should ask what was intended by the deceased. Had the deceased turned his mind to it, he would have made a will!

The testator’s family maintenance provisions will allow a person in those circumstances to make an application to the court to receive a part of the estate greater than he or she would otherwise have been entitled to — if the circumstances exist to allow the court to make such an order.

The honourable member for Geelong North said there was no urgency in the bill being passed, that we should work out now what should be done about de facto partners. However, the honourable member for Berwick said the legislation should be passed urgently. He said the former government should have dealt with the issue in 1990, when it introduced amending legislation.

The honourable member for Melbourne tried to make the point that the then coalition opposition did not agree with that bill. I point out to the honourable member, who has been kind enough to provide me with a copy of that debate, that in concluding my contribution on 13 November 1990 I said:

There are a number of provisions in the bill which have the support of the opposition parties. I believe the bill should be divided into two parts. The major portion of the bill should be referred to the Legal and Constitutional Committee and that should include all the provisions on de facto partners and some other provisions that the opposition parties are concerned about. However we have no objection to identifying those provisions we do not oppose. The Attorney-General could withdraw the bill and introduce a smaller bill that would have the support of all parties.

I agree with the member for Berwick that these provisions should have been enacted in at least 1990. They could have been considered before that, because I understand they were first proposed in the early to mid-1980s.

Mr Cole interjected.

Mrs WADE — The honourable member for Melbourne again suggests we should refer the de facto partner matters to the Law Reform Committee for its further consideration. I am not inclined to do that. The former Labor government made two attempts to deal with that situation, and both attempts were unsuccessful. A bill was introduced but lay on the table for almost two years. A host of problems were identified, after which the Labor government proposed a massive number of amendments that changed the nature of the bill. The amendments were also severely criticised.

I point out to the honourable members for Altona and Geelong North, who expressed concern about
the issue, that it is not easy to sort out the problems facing de facto partners. The former government did not succeed. It twice tried to put de facto partners in the same position as spouses. As the honourable member for Altona said, many people enter into de facto partnerships because they do not want to become spouses; they want different relationships. It may not be appropriate for a government to say, 'Although you have tried to enter into different relationships we will treat you as though you were married'. They should have a choice about the outcomes of their relationships.

Even if we thought it appropriate you cannot just add the words 'de facto partner' after 'spouse'. It is difficult to identify a spouse. After going through a marriage ceremony and signing the register, people become spouses — that is so 5 minutes after signing or 25 years after signing. You can have only one spouse at a time because our laws do not allow a person to have multiple partners. But you can have more than one de facto partner. If 'de facto partner' is added after the word 'spouse', you will end up creating confusion about who is covered by the provision. Does it include a de facto partner of 5 minutes duration or five years or somewhere in between?

Ms Marple — What do you mean?

Mrs WADE — I shall explain it to the honourable member. The former government realised you could not insert the term 'de facto partner' into legislation without defining exactly what a de facto partner was. The previous government said that a de facto partner was somebody who had been living in a de facto relationship for at least two years. If a person lived in a relationship for 1 year, 11 months and 29 days and on that particular night his or her partner suffered a heart attack, under the previous government's bill the surviving partner would receive nothing from the estate, even if the relationship had been solid. If one partner died on a Monday night for example, the other person would receive nothing but if he or she had survived in intensive care until Wednesday night, the other person would inherit the estate as a de facto partner. There was a further problem with the previous government's bill. What happened if, at the time as one had a de facto partner, one also had a spouse? The previous government said that in those circumstances the de facto partner would not receive anything unless the deceased partner had been separated from the spouse for at least two years. It was then thought that two years was not long enough, so an amendment was moved by the then government to increase the period to five years.

The existence of two de facto partners can also result in a complicated set of circumstances. If somebody lived in a de facto partnership for 20 years which resulted in five children and the male half ran off with his secretary, with whom he then lived for a couple of years, the subsequent de facto partner would take over from the earlier de facto partner, who would get nothing. They are some deficiencies of the bill introduced by the previous government, and once they were pointed out people no longer supported the bill.

The present government is working on a problem-free solution. There is no doubt that hard cases are involved; for example, a female partner in a 30-year de facto relationship who is living in what she considers to be the matrimonial home is left with nothing if her male partner dies; the estate may go to some distant relative. That is one of the scenarios that needs to be covered. Often children are involved and the matter needs to be dealt with carefully.

Proposals about de facto relationships are currently being examined; I do not want to propose anything that will not work, and as soon as I am sure they are feasible, provisions will be presented to the house.

Amendment negatived.

Motion agreed to.

Read second time.

Passed remaining stages.
business, which all honourable members hope will play a major role in economic recovery.

At the outset I express the opposition’s concern that the changes the bill proposes to the role of what will be known as Small Business Victoria will result in its role shrinking and a withdrawal from activities in which it can be of most help in the small business sector.

In 1976 the establishment of the Small Business Development Corporation was an important initiative and it remains an important mechanism to implement government support for the small business community. To unnecessarily limit that support is not in the best interests of the small business sector, which ultimately influences the Victorian economy.

During his second-reading speech the minister referred to the size of the small business sector in Victoria; there is no argument about its importance in this state and the traditional role it has played. Small business in Australia represents about 96 per cent of all businesses. Across Australia small business represents 55 per cent of all private sector employment; I understand that that figure could be higher for Victoria. It contributes 43 per cent of gross domestic product and pays more tax than big business.

The opposition agrees with the government that small business is a major contributor to both the Victorian and the Australian economies. It is interesting to note some of the features of small business identified by a survey that appeared in the National Business Bulletin in April 1993. That survey provided certain facts about how small business conducts itself. Those facts are widely known, but occasionally it is illuminating to see them confirmed. The survey indicated that more than half of small business proprietors work 70 hours a week or more but do not make enough profit in tough trading times to provide for their own superannuation.

A report in the National Business Bulletin of April 1993 says that small businesses have had the screws put on them as a result of slow payments by big business and government departments during the economic downturn. They have found it difficult to increase their prices to recover government costs and other imposts. They must pay accountants and other specialists increasingly larger amounts to interpret the government’s requirements to the detriment of their own operations. Small businesses found it tougher to do business with banks in 1993 than the year before despite the general optimism.

I suggest that the minister is aware of those matters because he would quickly be told about them when he talks to small business people, as I am. Small business people do not stand behind the door when asked about their difficulties. That enables us to understand the difficulties suffered by them.

The minister stated that the only sector where employment has shown strong growth in recent years has been in small business, for which we are grateful. In the two years to December 1992 small business employment across Australia increased by 200 000, whereas firms with more than 100 employees suffered employment losses of 350 000 between 1989 and 1992. These small business employment gains have not been easily achieved.

The National Business Bulletin survey showed that the improvement in employment numbers in small business was the result of long hours, hard work and frustration, which is precisely why the opposition suggests that the role of Small Business Victoria could be more proactive and supportive than that envisaged by the minister when he introduced the bill.

Mr Jasper — You were in government for 10 years from 1982 to 1992. What did you do?

The SPEAKER — Order! I will call the honourable member for Murray Valley at the appropriate time.

Mr Loney — If the honourable member cares to wait all will be revealed. The changes contained in the bill run a gamut. They include: changing the name of the Small Business Development Corporation to Small Business Victoria; expanding the definition of ‘small business’ to include three new clauses that deal with the manufacturing industry with fewer than 100 employees, other industries with fewer than 20 employees, and agricultural businesses with turnovers of less than $400 000 a year; removing the Treasurer’s guarantees and responsibility for liabilities incurred by small business; removing the power to buy and sell land and to assist in arranging financial assistance for the provision of services or facilities to small business; and abolishing the information referral centre, substituting instead a requirement for Small Business Victoria to provide referral information services.
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It changes the role of Small Business Victoria from that of arranging training and educational programs for small business to that of facilitating management skills development for small business. It removes the requirement for Governor in Council approval of employment terms and conditions of corporation staff and updates references to public sector legislation to refer to the Public Sector Management Act.

Many of these changes are a reflection of the fact that the Small Business Development Corporation has powers and functions under the act which were not used or which are obsolete or outdated. Other changes reflect the government’s philosophy of allowing the private sector priority whenever possible.

When examining the definitions of small business it is interesting to examine a document that I am sure the minister is familiar with and has thumbed through on a number of occasions, although it is probably not his bedside reading choice — the report of the House of Representatives Standing Committee on Industry, Science and Technology of January 1990 entitled Small Business in Australia — Challenges, Problems and Opportunities; it is otherwise known by the more manageable title of the Bedall committee report.

The federal committee looked at the definitions for small business and came to some interesting conclusions about them. It finally recommended a definition of ‘small business’ which in essence is identical to those in the bill, particularly the two definitions relating to manufacturing and non-manufacturing industries. It is interesting to note that in adopting those clauses the Bedall committee emphasised that the size component in the definition serves as a functional addition to the definition and should not overshadow it. I shall examine the definitions in the Small Business Development Corporation Act to understand the new clauses. It states:

“Small business” means any business undertaking —

(a) which is wholly owned and operated by an individual person or individual persons in partnership or by a proprietor company within the meaning of the Companies (Victoria) Code and which —

(i) has a relatively small share of the market in which it competes;

(ii) is managed personally by the owner or owners or directors (as the case requires); and

does not form part of a larger business or enterprise;

The provisions that are being added through the bill then come into play. The point made by the Bedall committee is that it is the definition of the management structure that is most useful when dealing with small business and that the size components should be seen as an addition to that definition. We should heed the caution expressed by the Bedall committee not to use the numerical definition to define ‘small business’ and that the prefacing remarks are important in the definition. I appreciate that numerical definitions are used by the Australian Bureau of Statistics and are now in common use throughout the states.

Advantages can be gained from the use of common definitions. Not the least of those advantages is that the commonality of provisions will allow benchmarks to be established more easily with other states and will allow more effective comparisons with other areas. The fact that other states and the commonwealth are using similar definitions should make it easier for us to make legitimate comparisons with other areas. We should be attempting those comparisons so that we can judge our own small business programs.

The downside of the numerical definition is a danger that in thinking about small business as some homogenous grouping within a numerical definition we may overlook the diversity of small business. Although we have adopted numerical definitions with much higher figures, 70 per cent of businesses in this state employ five or fewer people and are very much at the other end of the numerical definition. Smaller businesses will necessarily have different needs, different management structures and different management skills from larger companies. They will also have different abilities in buying in the skills they may need, as is done by larger businesses. Certainly the traditional family retail store is in a much different position from a manufacturing company employing 80 employees with a turnover of tens of millions of dollars a year. We must not lose sight of the fact that when talking about small business within those definitions we are not talking about a single homogenous grouping.

The other change in definitions in the bill is the inclusion of a definition of agricultural business. The opposition has no objection to the inclusion of an agricultural definition, but I should like to address a number of concerns about the expansion of the definition that I hope the minister will take up at the appropriate stage.
The first issue is: what resources will be directed to Small Business Victoria to allow it to take up the additional function without reducing what it is able to do for the other sectors of small business? Secondly, what expertise exists within Small Business Victoria to service the unique requirements of the agricultural sector? Thirdly, I ask the minister to comment on the possibility that the introduction of an agricultural definition into Small Business Victoria could provide a potential excuse for the disbanding of schemes that operate through other organisations and departments that currently provide assistance to those businesses.

The second broad group of changes in the bill is those that may be termed changes to financial powers and functions. The removal of a number of powers and functions of the organisation are simply not of concern to the opposition. We accept that most, if not all, of these powers are outdated or have never been used. In particular, the financing changes proposed by the minister make sense and really mean that the legislation reflects what is and has been the practice of the Small Business Development Corporation since its inception. We do not believe the removal of these functions will have an unnecessarily adverse effect.

The opposition notes that the change concerning removal of Governor in Council approval for staff employment relates only to the terms and conditions of staff and the appointment of employees and that appointments to the board of Small Business Victoria will still be required to be approved by the Governor in Council. To that extent we have no difficulty with what is being proposed.

The opposition also recognises that, notwithstanding the requirement of the act, it has not been common practice to seek Governor in Council approval when seeking to appoint staff or confirm terms and conditions. We are not concerned by the change. We believe it will allow for greater flexibility in the employment of staff and the determination of staff conditions and is more in keeping with appropriate management practices.

The changes to the role of the Small Business Development Corporation are clearly an expression of the government’s philosophies and represent the area of greatest potential concern to the opposition. Our concern is that Small Business Victoria should be pro-active in its relationship with small business. It should be the focal point for the identification of needs, services and gaps and should ensure the provision of appropriate programs.

Although the opposition understands that the SBDC has not been a provider of training programs, it notes how the corporation describes its own role in the training area at page 16 of its annual report:

A clear link exists between survival and success in small business and the amount of business management education and training which has been undertaken. The management skills levels of small business owner-managers is therefore an overriding factor in, and direct link to, employment growth and the private sector-led recovery. While SBDC is not a training provider as such, it places high priority on working with existing training networks in both private and public sectors to strengthen the management capacity of small businesses. Accordingly, its major roles in this area are that of: facilitating new program development; targeting activities to particular sectors or groups of people where gaps exist in training provision; developing and evolving new training products to external training providers; working closely with industry to develop competency standards for small business management.

Clearly the Small Business Development Corporation has been carrying out a role that is much broader than that encompassed by proposed new section 13(2)(c), which is designed to facilitate management skills development for small businesses. The provision is open to a narrow interpretation. Such an interpretation would severely restrict the role currently performed by the Small Business Development Corporation and the future role of Small Business Victoria. These changes could have the effect of allowing SBV to be withdrawn in favour of other service providers.

Although the opposition readily acknowledges that a great deal of duplication exists in service provision to small business, with organisations such as TAFE small business centres and the Victorian Employers Chamber of Commerce and Industry actively involved in the area, it believes there is still a substantial role for SBV. It should be taking an active role in determining what help needs to be provided and ensuring that there is appropriate breadth in what is provided and that small businesses are not placed at a disadvantage in the provision of that help. A VECCI publication dated 28 January 1994 and entitled Training for Business provides a case in point.

The Victorian Employers Chamber of Commerce and Industry is conducting a number of courses which are advertised in that publication and which may be relevant to many small businesses.
However, those that are not members of VECCI are 
required to pay an extra 20 per cent to undertake the 
courses.

There is no criticism of VECCI's role in being a 
provider of courses and I strongly support the view 
that it should certainly service its membership; I 
have no problem with that. The point I make is that 
those courses are relevant to small businesses and 
should also be available elsewhere at no additional 
cost to businesses that are not members of VECCI.

It is important that Small Business Victoria ensures 
that appropriate training is available to all small 
businesses in a non-discriminatory way. If the SBV is 
to direct small business inquiries to organisations 
such as VECCI, it should not be acting as a de facto 
membership recruiting station. If it does not ensure 
those courses are provided elsewhere, that is what it 
could turn out to be.

I have no problem with SBV saying to an inquirer, 
'This course is provided by VECCI; it is also 
provided by TAFE and others and you may make a 
choice'. That is fine; there is no problem with that. It 
is equally important for small business to have 
access to information and advice that are both 
independent and impartial. That is the crux of the 
matter: ensuring that the information provided is 
independent and impartial and not tied to any 
organisation that may wish to pursue its own 
agenda. SBV must give advice not only on where 
particular training is available but also on the 
comparative cost, quality and appropriateness of 
that training.

'Facilitate' means 'to make happen'. However, 
through general usage, 'facilitator' has come to mean 
one who acts simply as a go-between, bringing 
parties together and then withdrawing. The 
opposition would be concerned if SBV were reduced 
to playing that type of role as a result of the 
proposed changes.

In his second-reading speech the Minister for Small 
Business said the government had made a major 
commitment to revitalising the small business sector 
as a central plank in the private sector-led recovery. 
It is worth examining the government's progress.

Mr LONEY — Thank you, Mr Acting 
Speaker, you are certainly helping me out. As I was 
saying, it is worth examining the government's 
progress and comparing it with the performance of 
the former government.

Labor is often criticised by the minister and other 
government members for having no commitment to 
small business. A fair examination of the record 
shows the opposite to be the case. It was the Cain 
Labor government that appointed the first Minister 
for Small Business. That represented a landmark 
recognition of the importance of the sector to 
Victoria and the need for its appropriate 
representation and advocacy at the highest levels of 
government. To date there have been four ministers 
for small business, three of whom have been Labor 
ministers.

Labor also amalgamated the Small Business 
Development Corporation with the Department of 
Small Business, thus bringing to an end what was 
essentially an unworkable situation and giving the 
department face-to-face contact with small business 
people. Prior to the amalgamation it was well 
removed from day-to-day matters and was widely 
regarded as being ineffective as an advocate and 
supporter of the sector.

Labor also established the Banking Working Group 
as a mechanism to find solutions to financial 
problems that arise in almost every conversation 
with small business people. I am sure the minister 
would agree with me that the issue of finance for 
small business is near the top of the list of problems 
raised by small business people.

The Banking Working Group was an extremely 
strong group that included representatives of four 
major banks — Westpac, the Commonwealth, the 
ANZ and the National Australia Bank — and the 
Small Business Development Corporation. The 
group was chaired by the minister.

Mr LONEY — Obviously some honourable 
members opposite prefer not to remember. They rely 
on selective memory of the facts.

The single aim of the Banking Working Group has 
been to examine how capital could be provided to 
small businesses at the cheapest possible rate. It 
aimed at gaining specific commitments for the 
provision of capital through both equity and 
ordinary loans. It was also considering expanding
the range of variables used to determine the applicant business’s suitability for the loan and whether it should include the completion of a management course approved by the SBDC. That was an important initiative in an area of major concern to small business. The minister might care to comment on it later but I understand the working group is no longer active.

Labor also established the Regulation Review Unit — a small group through that vetted on a cost-benefit basis all legislation that created new regulations for small business. It addressed one of the primary areas of concern expressed by small business people everywhere and, again, I would not expect the minister to disagree with me on that point.

The amount of time spent in complying with unnecessary regulations is a constant bane of small business. Running a small business is hard work and involves long hours. You generally have to do everything yourself and bureaucratic processes, particularly when the respondents can determine no necessity for them, can be extremely frustrating.

In his address to the eighth national small business forum in August 1993 the former federal Minister for Industry, Technology and Regional Development told of the problems one small businessman had getting started. It is a somewhat apocryphal story that is worth repeating. It is the story of the farmer who, when seeking to establish a llama farm, found he had to deal with three departments in two states. The right to import stock required 3 permits. The right to operate the llama farm as a tourist attraction necessitated between 12 and 17 permits. The right to transport visitors on bales of hay across paddocks to see the llamas involved 5 permits, and the signposting of the property required 2 or 3 permits. Although that may be one of the more exaggerated examples, it is not an uncommon story. It is important that all parties work together to address the problem.

I turn now to the next small business initiative introduced by the former Labor government — the one-stop shop. The one-stop shop has been generally accepted by all Victorian small businesses as a worthwhile initiative and it is something the government should continue to provide. There is no reason why a small business person should have to run around from place to place and from department to department to gain permits that in many cases are unnecessary. The one-stop shop was a positive and well-received small business initiative that deserves our full support. The former government established one-stop shops in each region in Victoria, and they are still in place. I recall a recent announcement by the minister about what I think he called first-stop shops — —

Mr Heffeman interjected.

Mr LONEY — They were to be established in conjunction with the federal government. The government should pursue that initiative because it will be of great benefit to small business. I hope the minister, in closing the debate, will advise the house of the expansion of the one-stop shop program and outline what has occurred under his ministry.

The former Labor government, together with the federal government, moved to establish composite business licences, which is another step that takes us closer to the goal of removing unnecessary and purely bureaucratic regulation and red tape. I understand the minister is proceeding with that initiative.

To raise the status and image of small business and to provide it with incentive, the former government entered into an agreement with Telecom Australia to establish the Victorian Government-Telecom Small Business Awards, which provide incentives for specific business sectors based on type, size and region. They also lead successful small businesses to the national awards. The awards are prestigious and are well received and highly sought after within the business community. They replaced the former Victorian Employers Chamber of Commerce and Industry awards, which applied only to VECCI members, and opened up the system to the entire small business community. They are supported by VECCI, which presents its own award within the structure. The awards have been a remarkably successful initiative that puts a strong focus on the achievements of small business.

Unfortunately, since coming to power in October 1992 the coalition government has been strong on rhetoric and short on substance. I refer particularly to its plan for reducing the costs to small business, which was publicly announced by the minister on 10 January. At that time he said that a plan would be produced within six weeks. He went on to say that on 12 January a proposal would be put to the Premier for his approval. To date, some 10 weeks later, there has been no announcement.

The raising of this issue a fortnight ago prompted a response from an unnamed spokesman for the minister, whose excuse for the delay was that the
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The opposition understands the plan requires the approval of the Premier and cabinet, but the minister should also understand that it is his role to be a strong advocate for small business. I suggest that on this issue the minister has been acting like a railway stationmaster under Alan Brown’s revamped public transport system: continually announcing a train that never comes!

At the outset of my contribution to the debate I said the government had missed a wonderful opportunity in presenting this bill. The opposition is disappointed that that is the case and I will offer some suggestions as to what it believes could have been covered by the proposed legislation. The range of services available to the small business sector have to date usually been concentrated on information, advice, counselling and training. These have been provided through the former Small Business Development Corporation and the private sector, mostly through the various industry and representative groups. The challenge now is to ensure that support services are effectively promoted, comprehensive and relevant, that duplication and overlap between public and private sectors are minimised and that Small Business Victoria plays its role in ensuring that those things occur.

The opposition remains concerned that the thrust of the bill is to withdraw SBV rather than release it to meet emerging needs. I see a look of puzzlement on the face of the minister. When the minister replies I will be pleased to take note of what he says about that matter.

One area where Small Business Victoria could move on to a new and important role — and one that could have been prescribed in the legislation — concerns advice on finance availability. The opposition believes the role of SBV could have been expanded to require it to provide information to small business on the different financing deals available from bank to bank. It should be providing comparative information on the banking services available and the options. Indeed, that process was commenced by the former Labor government.

It should also be considering what is appropriate training for small business people who deal with banks, as well as for banking people who deal with small business — there is always the other side of the coin. One complaint often made by small business people is that the people they deal with in banks, financial institutions and other places do not understand their needs and the way small business operates. This is an extremely important area. It has been well established that many small businesses fail in their attempts to gain finance through poor presentation and inadequate submissions in addition to the more common reasons for failure.

Small businesses will benefit by receiving assistance about how to make better presentations and submissions. SBV should comparatively analyse financial information for any small businesses that come to it. It is important that small business has access to an independent and impartial organisation. That relates to my remarks about comparative financial advice: it is right and proper that that impartial and independent advice be provided by a government organisation.

The government and the opposition agree that small business is important to Victoria and that the government should be addressing the needs of small business through an organisation such as Small Business Victoria; but the government and opposition disagree about the role that organisation should play. Small business is the most dynamic, innovative and entrepreneurial of all business sectors. I use the word "entrepreneurial" in its true and positive sense, not in its tarnished sense following the big business debacles of the 1980s. Small business is the sector of the economy that is best placed to play a major role in the growth of Victoria. It is often at the leading edge of our economy, providing much of the innovation and many job opportunities. A government small business organisation must therefore address the full range of issues that give rise to innovation and employment potential. It should not talk about that potential as though it will automatically and magically be realised. Small business requires positive support and encouragement to deliver that
potential. Small Business Victoria could well be a conduit between government and small business so that realistic dialogue can develop and each party can become more sensitive to the other's needs.

All of us need to be positive about small business instead of equating it with risk and failure, which is the public perception of small business — and regardless of its political colour the government of the day is usually blamed for that failure. That perception must change so that the strengths, successes and best practices of the small business sector are conveyed to the community at large.

Victoria is Australia's small business capital and we must do everything we can to ensure that it retains that status.

Mr JASPER (Murray Valley) — I support the bill. It is well known that since the change of government in 1992 I have not always agreed with the coalition government, but I do agree with the government's actions to support business, private enterprise and the wealth creators to redevelop Victoria and to put the state back on the map.

I listened with great interest to the long contribution of the honourable member for Geelong North. Winston Churchill once said that he was a child of the House of Commons and I say that I am a child of private enterprise. I grew up in private enterprise. Look at the members of the coalition government today. Many government members grew up in business and understand where the wealth is created in Victoria, and they understand that wealth is needed to create employment. Employment is created not by the actions of government, not by those employed by the government, but by large and small businesses. It is disappointing that most opposition members know nothing about private enterprise; they did not grow up in business. The bottom line is that one has to grow up in business to understand business.

I agree with many of the conclusions reached by the honourable member for Geelong North, especially when he referred to the innovative and entrepreneurial path which will revive the economy of Victoria and which needs positive support. The coalition government will give small business that positive support. That did not happen between 1982 and 1992. The people of Victoria threw Labor out because of what it did to the state. It is the height of hypocrisy for the honourable member for Geelong North to talk about private enterprise and small business. He was a primary school teacher. What real knowledge does he have of small business?

How is he entitled to inform us about small business? The same can be said about other opposition members.

Some years ago in this house when I said that small business needs to be profitable the honourable member for Springvale interjected, 'Now Jasper's true colours are coming out'. That was an absolutely ridiculous statement! I replied, 'If business is not profitable, it certainly will not be employing people and if we do not have employers we do not have employees'. But the Labor government did not believe that and for 10 years it wanted to employ the lot. But the people of Victoria woke up and the Labor Party found out the hard way that that was not the way it works. Wealth is created by private enterprise.

The house has also heard from the Labor Party spokesman on small business, the honourable member for Preston. Look at his record! Is it acceptable given that he was a psychiatric nurse and a member of a trade union? Although he is the opposition spokesman for small business, I think his forte is the hospital employees union. I suggest that small business would not be happy knowing the qualifications of the opposition spokesmen who represents it in this house. The honourable member for Geelong North showed a complete lack of understanding of business in Victoria. He offered suggestions, but from what background? He talked about independent support for small business and impartiality through the Small Business Development Corporation. I suggest that he speak with the people involved in Small Business Victoria; more importantly, he should speak with small business to obtain its reactions.

I have spoken to people who have been to the corporation for assistance. Not only have they received assistance from that organisation, they have also been directed to other organisations. That is precisely what Small Business Victoria is all about. I recall taking the proprietor of a small bakery in my electorate that was struggling to survive to the Small Business Development Corporation, where we met a senior officer who said, 'Let's look at what we can do'. The following week the organisation sent an expert to assist the proprietor in organising his business. The proprietor paid for the support, saying later that it was the turning point for his business.

He was able to turn his business around to the point that he is now operating profitably, employing more people, helping to provide a service and creating wealth in the City of Wangaratta.
The honourable member for Geelong North spoke about the importance of small business, but he had the audacity to speak about the contribution of the former Labor government. He said the Labor government was the first government to appoint a small business minister and that it allocated $10 million to promote small business in Victoria. I believe the Honourable Race Mathews was the first Labor minister responsible for small business, even though he had had no experience in that area. I spoke to Race Mathews after he was dropped from the ministry and asked him whether he thought the Labor Party’s policies were successful. He admitted that the policies were a load of rubbish — and that they were never implemented!

The importance of small business should never be underestimated. In 1976 the former Liberal government established the Small Business Development Corporation, which over the years developed a formidable record in servicing the small business community. I was the National Party spokesperson for small business at the time and remember giving strong support to its establishment. Although it retained the corporation, the new Labor administration no longer tried to meet the objectives of small business, despite the commitment of funds and information. During Labor’s 10 years in office the Victorian economy was wound down and businesses lost confidence in the government. They were not prepared to invest in an economy presided over by a government that did not support private enterprise. During its 10 years in government the Labor Party did not appreciate the important role small business plays in both the creation of wealth and the development of the state.

In 1992 the Labor Party was thrown out of government. The electorate finally realised that Labor had tried to keep the state running by using government money and selling off public assets. The issues raised during the 1992 election campaign are well documented. The people of Victoria wanted to get the state back on track. They understood that government could no longer generate all the employment Victoria needed and recognised that it should be wound back to allow Victoria to re-establish itself as a growth state with the help of private enterprise. The change of government brought a change of attitude. People regained their confidence in the future because they understood the coalition supported business.

Major changes in the Victorian economy have occurred since October 1992, and the extent of those changes are best illustrated by articles in the media. I refer to an article in the Herald Sun of 6 December 1993 entitled ‘Small firms are growing’. The article states:

Victoria’s small businesses say they have staged a remarkable comeback in the past year, and expect the recovery to continue.

More than half of the state’s small-to-medium businesses have increased staff numbers during 1993.

Business across a broad range of industries experienced an increase in domestic sales, and 84 per cent forecast further rises next year.

On the same day the Herald Sun contained another article entitled ‘Loud message from the silent majority’:

Private enterprise has had little reason to grumble since October 1992 as their businesses thrived and benefited from seemingly radical reform.

A representative group of 108 small to medium-sized businesses told the Institute of Chartered Accountants-Herald Sun Survey of Victorian Small Businesses they were pleased with state policies and confident of their prospects.

The article further states:

Only 3 per cent of Victoria’s small businesses were opposed to the coalition.

That article should be noted. On 20 December 1993 the Age contained an article entitled ‘Private sector key to new jobs’:

Australia’s small-business sector received a double dose of cheer last week following the GATT resolution and the federal government’s green paper on jobs.

At least the federal government recognises that small business requires assistance. On 6 December last year the Age had an article entitled ‘Business rebounds’, which states:

A small business survey shows that the sector is on a roll that will see it through a cheery Christmas.

The article demonstrates the change of thinking in the community only months after a change of government. The article further states:

Small business confidence has rebounded strongly in the past three months with an encouraging 69 per cent
of business predicting improved sales or profitability over the next 12 months, according to the latest Yellow Pages small business survey.

The survey reveals what many of us have long known.

Sitting suspended 6.30 p.m. until 8.06 p.m.

Mr JASPER — Prior to the suspension of the sitting I outlined the importance of small business to the economy of Victoria. Small business creates employment and allows the Victorian economy to play the important role it should play in the Australian economy. From 1982 to 1992 Victorians, especially those working in small business, felt let down and abandoned by the Labor government. The comments by the honourable member for Geelong North, who tried to tell the house that he was aware of the importance of small business, were the ultimate in hypocrisy. He attempted to justify the actions taken by the previous Labor government between 1982 and 1992. I highlighted in no uncertain fashion the devastation caused by 10 years of Labor government.

Mr Hamilton interjected.

The SPEAKER — Order! I will call the honourable member for Morwell at the appropriate time. In the meantime I ask him to be quiet.

Mr JASPER — The honourable member for Morwell highlights what one sees on the Labor benches — people without a great understanding of business, in particular small business. The difference between the coalition government and the opposition is that the majority of coalition members have a true understanding of what it takes to run a small business; most of them have grown up in business. They understand the backing and support that governments can appropriately provide to ensure that small businesses create employment and generate wealth.

I highlighted the changes that have taken place since October 1992 and quoted articles from a number of newspapers dating from late 1993 which illustrated that confidence levels and attitudes throughout Victoria had improved. Although the Labor government had not been able to implement any great changes, the coalition assured private enterprise business people that they had its support. That confidence was exemplified in a number of newspaper articles.

I quoted an article from the Age of 6 December headed 'Business rebounds', which reported a small business survey undertaken by Yellow Pages. I was pleased that the honourable member for Geelong North understood the point it made: small business people do not work a normal 40-hour week; they work long hours to establish their businesses and make them operate effectively, not only to earn profits but to generate employment. That is the key point, and most opposition members do not understand that. The article states:

In other findings, the survey revealed what many had long known: the 40-hour week is a rarity for small business owners who work on average nearly 60 hours a week. The survey showed that only 13 per cent of business owners worked 40 hours or less.

To most small business owners, working weekends are a fact of life. On average, according to the survey, they worked three out of five Saturdays and between one and two out of five Sundays.

The survey underscored the importance of family within the small business sector with 75 per cent of those surveyed describing their business as a family business.

Those factors are significant when considering small business and its importance to the economy of Victoria. It was a disappointment to the government that there was not a change of federal government last year, and it was a tragedy for the people of Victoria. The Victorian government is prepared to support business to enable it to develop and expand. The coalition’s losing the federal election put a dampener on the resurgence of business in this state.

Mr Leighton interjected.

Mr JASPER — It is pleasing to hear the interjection of the honourable member for Preston, a former spokesperson on small business, because it demonstrates that he has no understanding of small business. A former Labor member for Niddrie, Mr Jack Simpson, understood small business. On many occasions he spoke with a lot of sense. Unfortunately he did not have the support of the Labor factions between 1982 and 1988.

I take issue with the view of the honourable member for Geelong North that the bill does not go far enough. The Small Business Development Corporation will be now known as Small Business Victoria. The corporation had a formidable record, but changes have been made to bring it closer to the
needs of small business and to improve its relationship with the department. It will operate effectively from a central office in Melbourne with 11 small business offices throughout Victoria.

Mr Hamilton interjected.

Mr JASPER — The honourable member for Morwell should examine the 1993 small business report. It is clear from that report that in 1993 client contact reached a record high of 59,975 contacts with the Small Business Development Corporation, 13.5 per cent more than the previous year. Small business has found new confidence in the state. The bill implements a closer relationship between Small Business Victoria and the department and will facilitate cooperation between business organisations.

Anybody involved in the motor industry should be involved with the Victorian Automobile Chamber of Commerce, and many organisations are backing people involved in particular industries.

Mr Loney interjected.

Mr JASPER — The honourable member for Geelong North says that that may not be the way to go and that TAFE colleges provide training courses. As I have already pointed out, a businessman in Wangaratta went to the Small Business Development Corporation which provided him with the contacts that helped him with his business. Small Business Victoria, together with the department, will now provide those contacts for small business organisations, and TAFE colleges will have the ability to help with training in small business.

In response to a question without notice asked this afternoon, the Minister for Small Business said that in the 17 months the coalition has been in government the number of small businesses has increased by 8000 and 25,000 new jobs have been created. The honourable member for Geelong North recognised that there are about 200,000 small businesses in Victoria which provide about 52 per cent of private sector employment. That is important to the revitalisation of the state.

Clause 5 of the bill encapsulates the meaning of a small business. Subclause (c)(vi) states that a small business:

- in the case of an agricultural business undertaking, has a turnover of less than $400,000 a year.

The government recognises the importance of everybody involved in small business.

I often speak with people in my electorate who say that they are farmers and not businessmen. I always tell them that they are businessmen, the same as many people in country towns and cities. It is disappointing that the primary-producing sector is suffering, badly affecting Victorian country towns and cities.

Ms Marple interjected.

Mr JASPER — Don't speak up too much!

The SPEAKER — Order! The honourable member for Altona should not interject in that manner, especially while she is out of her seat.

Mr JASPER — I shall be pleased to hear her contribution to the debate and her recognition that in the 10 years from 1982 to 1992 the Labor government wrecked the state. This government is bringing the pieces together by supporting small business, the livelihood of this state.

Ms Marple interjected.

Mr JASPER — We will put you in as the next one because you will do just as badly as all the others — no experience in small business.

Ms Marple interjected.

The SPEAKER — Order! I have already cautioned the honourable member for Altona. I ask her to take note of my caution.

Mr MILDENHALL (Footscray) — It is with pleasure that I join the debate because I have an interest in and commitment to small business —

Mr McArthur interjected.

Mr MILDENHALL — I should have thought the maturity of debaters in this chamber would have gone beyond comments about one's right to speak about small business. Are we to apply narrow definitions to who may speak on certain subjects? Will only those members whose personal
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circumstances correspond with whatever matter is before the house be able to speak? Will, for example, parents with only a certain number of children be able to speak about child care, kindergartens or schools? Let us not impose that sort of limitation on members' ability to speak!

Honourable members have heard about the long working hours endured by small business people who do not have time for their families or time to participate in community affairs. That sometimes means they cannot see the wood for the trees. My public service career gave me the opportunity to gain an overview of small business, to analyse the figures and to see how small business fits into the Victorian context and the wider Australian context, where legislation is needed and the policy initiatives required by government.

I turn to the bill. The second-reading speech is a curious document that talks about revamping the functions of the Small Business Development Corporation to reflect government priorities; it says it is the start of a new era. However, the bill does very little. It merely brings up to date the 1976 definitions and reflects the operations of the SBDC. The definition is a significant part of the bill. Every efficient organisation should have a definition.

When I started work in the Department of Small Business I asked: what is a small business? Somebody may say, 'I am the proprietor of a small business and I need some sort of check. What sort of reference point do I use?' The definition in the principal act needed updating because the current definition of a small business seems to be: smaller than a large one but a bit bigger than nothing at all. Legislation needs precision.

The only real action in the bill is the new clause referring to the facilitation of management skills for small business proprietors. At first glance this seems a particularly relevant addition to the legislation. In 1991 the Bureau of Industry Economics handed down a major report on management training in small business which said that area faced a national crisis and is related to a high rate of failure, which is exaggerated by the management ability of small business proprietors. The report states that part of the problem is the low level of participation in management training by proprietors and the poor quality of available management training opportunities. The provisions of the bill hit that nail on the head.

But the problem is being addressed at the national and state levels, and in five years the terminology of the new clause may well be obsolete. I should have thought that clause could have been accommodated in a number of the existing provisions and functions of the SBDC legislation, particularly the statements under sections 13(1) and 13(2).

None of the objectives of the corporation or the reasons for its existence has been amended, added to or deleted. The organisation is performing a status quo role. However, the government felt the need to revamp something and declare that something was new. It wanted to herald a new era, even if it is with an innocuous bill like this one. That also indicates that in this area of government activity we have a hollow policy and a distinct lack of innovative activity and initiative. On all counts the legislation is insignificant; it is a non-event so far as new eras are concerned.

Mr Perton — What are you talking about then?

Mr MILDENHALL — It is the obligation of the opposition to provide some advice to the government.

Mr Perton — What do you know about small business?

Mr MILDENHALL — I am tempted to go back to the beginning of my speech but I still have some matters to canvass. In addition to the insignificant nature of the legislation we must wonder what else constitutes this new era and the revamping of this area of government activity. We are looking for initiatives and policy development; we are hoping for something new. The honourable member for Geelong North mentioned the long-awaited announcement of initiatives to reduce the cost to small business and, although in early January it was said to be imminent, we are still waiting with bated breath. The best is yet to come! Something so innovative that it will surprise, delight or shock the Parliament is just around the corner!

I turn to the coalition's policy document on small business. It is sensational. It consists of six one-liners on an A4 sheet and — lo and behold! — the centrepiece, the initiative, is the plan to retain and overhaul the corporation's functions and eradicate duplication. That is it! What you see is what you get. The statement says the coalition will:

accredit business associations, local community, development groups and other groups who meet a standards test to supplement the functions of the SBDC.
The opposition is waiting with bated breath! Nothing in the annual report indicates that any work has been done in the area. It is one of those vague policies that do not mean anything. The next paragraph of the small business policy states that it will:

- review the role of the SBDC to ensure it interacts with small business in an efficient and cost-effective manner;

The terminology is reminiscent of the bill and the second-reading speech. The next paragraph states:

- establish a regional office network ...

I thought that that had been achieved by the previous government. Then:

- establish an advisory panel of private sector organisations ...

That was one of the significant achievements of the previous government. Next:

- establish a ‘one stop’ licensing shop ...

That has been in existence since 1988. The other two one-liners in the statement are about the government’s restructuring industrial relations legislation so that employees are paid slave-labour wages and the rampant deregulation that has ended up in shambles. There is nothing to the statement. The emperor has no clothes!

How many of those ideas were pinched from the previous government’s policies? I was delighted but not surprised to read that the former Labor government’s small business policy contained 22 pages of detailed analysis of the environment, a catalogue of significant achievements and a detailed listing of initiatives that would do any small business and certainly any government policy initiative area proud. I recommend to the minister the sound observations in that policy statement, particularly the structural reforms that would enable small business to take advantage of the economic recovery. The ministry was designed to give small business a voice at the cabinet table, to participate in national forums and to participate in policy development.

It is a pity the honourable members now in the chamber were not present when the honourable member for Geelong North gave his address. He reminded the house that of the state’s four small business ministers, three have been members of the Labor Party. Their initiatives were significant — for example, the establishment of the specialist women in business program. One fascinating figure is that more than a third of small business proprietors are women — most of whom have often been on the back foot. It is only in recent times that chambers of commerce, rotary clubs and other associations where businesses are represented have welcomed and even accepted women into their ranks. The achievements of women have been impressive, despite their not having ready access to and being able to participate in networks where advice is readily found.

The business licensing centre spoken about in the coalition’s policy but established in 1988 by the previous government now handles over 22 000 inquiries per annum. The high-profile Victorian small business awards have been eased out of the hands of the Victorian Employers Chamber of Commerce and Industry. They have been made community-inclusive events, so people do not have to be clients of or participants in the VECCI network. That has given a focal point, an immediate profile, to that field of community endeavour. Payroll tax exemptions now apply to 98 per cent of small businesses in Victoria. There has been a continual lifting of payroll tax exemptions to the extent that the threshold is now well in excess of $500 000.

It is proper for the chamber to be reminded that many of those initiatives were implemented as a result of the groundwork done by my predecessor, the then honourable member for Footscray, the Honourable Robert Fordham, in his Big Steps for Small Business policy, which was introduced in 1988. The initiatives that have come from his policy-review process continue to stand small business in good stead. The opposition looks in vain for small business initiatives from the government. Most of the hard thinking and structural analysis have been done.

As the honourable member for Geelong North said, the pro-active opportunity exists for governments to become involved in small business. The difficulty with the legislation is that it reduces the scope for government involvement by repealing certain functions available to it. The bill is part of a general government trend to reduce the role of Small Business Victoria. The ideological bent of the coalition is such that it believes no government activity is better than any government activity, which is only one indication of its intention to subdue small business initiatives.
The honourable member for Murray Valley said how vital, forward-looking and active Small Business Victoria is. But if one is looking for any signs of its subjugation, one need look no further than the annual reports. In the same 1992 report, the last under the Labor government, the then Department of Small Business and the Small Business Development Corporation speak of confidence, growth in business activity and a forward-looking approach.

In debates on subjects such as these one approach is to consider recent reports. Let us consider the minimalist report of the Small Business Development Corporation for the past financial year. It presents minimal information; there is almost nothing in it.

What has the department been up to? How much has it been downsized and to what extent have its services been contracted out? Let's see whether it has been exported to Queensland, too! The Papers Office could not find one. There should be no mystery about a small business report, but we looked in vain and all we found was a couple of lines in the report of the Department of Business and Employment and an organisational chart that was tucked away in another part of it. A couple of officers in the department could be identified as having some small business role. The indicators show the government having all these opportunities, but most of the running was done by the previous government.

This legislation is of particular significance. A number of speakers have said that the Victorian government will preside over an economic resurgence by small business and that it is clear from indicators that small business is on the verge of an active recovery.

Victoria is no island; however, one would swear after listening to some of the government speakers that the government had been entirely responsible for any form of economic recovery at all within this country. I point out that there is an economic recovery right across this country and it is slower in Victoria than in other comparable places, particularly in regard to employment, because of the curbing of consumer confidence by the government with its redundancy program and tax increases.

One has only to look at the housing demand, council spending and employment figures to see that the state is lagging sadly behind, and that is one policy area that the government should be involving itself in. An agenda is needed to ensure that economic recovery, when it does occur, is spread to the areas of—

An Honourable Member — Footscray!

Mr MILDENHALL — To Footscray, yes; I was getting around to that. It is important that economic recovery is spread, not only to maximise wealth in our community but also to have the maximum impact on increasing the wealth of employment opportunities. That is the rationale behind the Kelty report of which the Premier has spoken so highly. It has been the rationale of previous governments in policies such as the levy schemes. For example, the local enterprise development schemes were picked up by the state Labor government from a Liberal government in another state because they were commonsense schemes. They are the sorts of initiatives the state needs to stimulate business growth and development in depressed areas.

Everyone expects a recovery, and the early signs of one are there in the small to medium enterprise areas where the first signs of recovery occur.

A matter that I believe is of relevance in a debate of this nature is not what members were, what big shots they claim to have been and whether they were brought up in a particular environment, but what they plan to do about the situation. What is of importance is what sort of action they take. In my electorate I am doing something about small business; it is one of many initiatives I have undertaken. My office has established a business centre in Footscray with a range of agencies to assist and stimulate development with similar goals and objectives to those of an organisation like Small Business Victoria. The business centre was kindly opened by the minister last May and has been operating for just on a year. In less than 12 months it has seen and counselled well over 170 clients, and I have devoted a lot of my time and effort to working in networks within the community to get that sort of initiative moving.

I assure other honourable members who represent areas with similar levels of economic and employment recession and depression to those of Footscray that they would be well advised that this is an initiative that can bring to the front agencies that have something to offer. It is worth the expenditure of their time and effort to provide advice to intending small business operators, to help coordinate training and to assist development by providing access to regulatory agencies and those
who can provide finance and other resources for small business.

This is an example of pro-activity that the member for Geelong North was talking about. If a government sits back and says, 'Go for it, business', it does not automatically happen. There needs to be a framework of regulation, assistance and training. There is a vital role that the government can play which will enable these sorts of developments to occur.

These forms of assistance are important. As I mentioned before, the Bureau of Industry and Economics studies showed that many of our training providers have not provided training of the quality that is needed by small business. Many intending small business proprietors are not interested in going back to school. Many people, because of their own personal circumstances, are not the types who enjoyed positive experiences at school; they are looking for business-based, personalised, useful, practical advice, and the small business centres and advisory facilities can bring training facilities down to earth and provide assistance in a practical way.

However, because of the state government's withdrawal of its funding to the levy schemes this will be difficult. These facilities were of particular importance to the Footscray area with its Asian small business operators, because they are the most vital, active, entrepreneurial people in our local community.

There is also a cultural gap with new settlers trying to understand the state's regulations, and it would be of great benefit to them if the government facilitated the approval process to set up a small business. It is a tragedy that the funding was withdrawn.

Another act of short-sightedness — —

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

Mr THOMPSON (Sandringham) — An interjection a moment ago was, 'What did the Labor Party know about small business?'. I suggest having turned a lot of big businesses in the 1980s into smaller businesses gave the Labor Party a reasonable understanding of aspects of economic decline in Victoria. In fairness to the honourable member for Springvale, I point out that a range of other convergent factors in the 1980s including federal government initiatives and foreign bank deregulation served to create a climate of investment in areas of economic activity that were not productive in the longer term.

According to a report in the National Business Bulletin of February 1994, in the past three years small business increased employment by 140 000 people while big business shed 300 000. Small business represents 55 per cent of total employment in the private sector and family businesses represent 75 per cent of the 800 000 small business organisations in Australia. It is notable that the survey reports little employment growth in the manufacturing sector.

In speaking in support of the bill I shall address a number of provisions, including the provision regarding the change of name from the Small Business Development Corporation to Small Business Victoria. It is noteworthy that the initials SBV are the same as those of the failed State Bank Victoria. Just as this house was built on the enterprise of individuals in mining, agriculture and manufacturing, not through any strong economic activity on the part of government, it will be up to the small business sector, from the ranks of which larger businesses will develop, to provide institutions of repute such as the State Bank was for more than 100 years in Victoria.

A further aspect of the bill is that there will be no avenue for lending venture capital through Small Business Victoria. The assets, savings and taxes of Victorians will not be squandered as they were in the 1980s. The bill also provides for the referral of people into the private sector rather than those services being supplied through the government by public servants. That is important.

It is understood some 55 000 telephone calls are made each year to Small Business Victoria, or the Small Business Development Corporation as it has been known. It services a large proportion of the business population in Victoria and provides advice for people contemplating starting businesses. Throughout the years many excellent publications that have helped people to make better investment judgments before moving into the business arena have been produced by the corporation.

A question that was asked in Victoria three or four years ago was, 'How do you start a small business in Victoria?'. The answer, which many honourable members have heard, was, 'First you buy a big business'. That is reflected in the bankruptcy figures of the past decade. In 1983-84 Victoria recorded 495 bankruptcies; in 1991-92 that figure had increased to
about 1500. The bankruptcy figures reflect a range of factors, including declining economic activity, some of which can be attributed to the economic policy management of Victoria during the 1980s.

A decade or so ago the late Henry Bolte, with the vision of Cassandra outside Troy, stated that the Labor Party leadership could not run a pie stall in the outer of a football ground! I know the opposition spokesman on small business is regularly seen at football grounds throughout the state, but I challenge him to prove that perception wrong. That would be a worthwhile start!

Mr Perton interjected.

Mr THOMPSON — The honourable member for Doncaster sometimes refers to the five tablets of socialism. As I am a newcomer to this establishment, I do not know what he is referring to. If he is referring to mogadon, valium and other like tablets that have been applied to economic management in this state over a decade, I point out that they have induced a profound economic rigor mortis!

It has taken the initiative of somebody like the Minister for Small Business to take a hands-on approach to this portfolio. He has run his own small businesses, both as a mechanic and as a builder, and knows the demands and requirements of a small business. The state is fortunate to have somebody with his expertise responsible for the A to Z of policy administration in this area.

It is important to understand the contribution of business to society. As I have said on a number of occasions, a worthwhile society must be underpinned by a strong economic base. There has been a bias against wealth creation in favour of socially significant activities, even though those activities, ironically, depend for their support upon wealth creation.

I refer to an editorial from the Wimmera Mail-Times of 21 February 1994, headed 'Heffernan sells facts and logic'. The article states:

Mr Heffernan, addressing Horsham city councillors and other community leaders at a civic reception, impressed as one of those rare ministers able to underpin hard, unpopular decisions with frozen business logic — and —

Mr Micallef — Not the same Vin Heffernan!

Mr THOMPSON — I direct the attention of the honourable member for Springvale to the article:

... in no-bulldust language easily understood by laypeople.

There was defiance in his bold assertion there would be no turning back from the direction the government was taking, regret that 30 000 people had lost their jobs in the Victorian public service and aggression in his statement that no longer was the state going down the path of employing people with money borrowed overseas.

That was the case in the final years of the Cain-Kirner administration. The article further states:

Mr Heffernan was understandably proud of 5000 new businesses, employing 20 000, starting in Victoria, exuberant in his prediction that private enterprise, backed by a sympathetic government, would lead the charge for total economic recovery.

The honourable member for Springvale has a long history of involvement with the trade union movement. He may be able to help me with my next point. I understand that during the 1970s the Labor movement moved into the private sector and started Bourkes-ACTU store, ACTU-Solo and ACTU-Travel. To the best of my knowledge those businesses no longer operate. I consider that to be unfortunate for a number of reasons that I will turn to later.

The honourable member for Footscray made a fair point, that the diversity of backgrounds of honourable members adds to the strength of this Parliament. It is important to have diversity and balance. Sometimes a correct view is not necessarily black and white, but has shades of grey!

On my quick assessment — and I stand to be corrected — prior to their elevation to this place, of the 27 members of the Labor Party in this chamber, 10 worked as union officials, 6 as school teachers, 5 as public servants, 5 as ministerial advisers and 1 as a community lawyer. There were plenty of true believers but not many true achievers from the private sector!

I return to the statement made by the honourable member for Footscray, that we would not hold that against them.

Mr Haermeyer interjected.
Mr THOMPSON — In fairness to the honourable member for Yan Yean, I understand he worked as a manager of the John Barleycorn Hotel between 1979 and 1981. I am sure he worked more than an 8-hour day during that time when his responsibilities included staff administration and perhaps looking after a payroll. I give him credit for that business administration.

How many members of the opposition have had experience of raising capital; addressing the cost of regulations imposed on business; dealing with regulations imposed by government; meeting taxes and government charges when they fall due; developing the requisite financial and managerial expertise; arranging for debt finance when businesses need to be expanded; developing the requisite business expertise; maintaining business records; dealing with competition; interest costs; union regulations; and on-costs?

The opposition’s approach to business can perhaps be understood more fully by looking back to legislation it proposed in 1989 when it was in government. In those days $200 000 to buy a milk bar would have covered stock, accounting expenses, lease expenses, stamp duty, goodwill, legal expenses and a range of other costs associated with the acquisition of a new business. After the poor milk bar proprietor had perhaps elected to leave permanent employment and go out on his own, he would also have to pay the electricity bond, the bond on the property, the leasehold costs and a range of other expenses. In addition to all those expenses, in 1989 the then government proposed that he pay a goodwill tax on the value of the business within three months of taking it over. Back in those days many milk bars on corner locations were being sold for between $200 000 and $250 000, which equated to some $10 000 to $12 000 on the ad valorem stamp duty scale. That shows the level of understanding of business the Labor Party has. I admit that the previous government needed to raise revenue during that time, but it looked to the wrong source to raise it.

The Australian Financial Review of yesterday referred to an American businessman who was wearing short pants about 15 years ago and who is now the richest man in the world and is proposing to establish a multi-satellite communications system. I refer to Bill Gates, the head of Microsoft Pty Ltd. In a regulated economy such as the former Soviet Union, I doubt whether even his acumen, enterprise and skill would have been able to propel him to the top. If opposition members wished to make a constructive contribution to the long-term welfare of this community, they could take note of that particular example and the need for small businesses to be seeded so that the good performers can make their way through the ranks.

Last Thursday I received a fine press release showing the degree of cooperative endeavour that currently exists and the fact that the Minister for Small Business has a broad-minded attitude towards the development of enterprise and industry in this state. The press release announces a cooperative venture between the commonwealth government and the Melbourne City Council. Catherine Walter was one of the people who announced the agreement to establish the First Stop Business Shop, which is funded by the federal government, Small Business Victoria, the Melbourne City Council and business sponsorship. I state for the record that the federal government is providing $450 000 to Small Business Victoria.

Mr Micallef interjected.

Mr THOMPSON — The honourable member for Springvale has already spent most of the money the budget allowed for in previous years!

Small Business Victoria is providing $60 000, the Melbourne City Council is providing $70 000, and private sponsorship is contributing $330 000 to the project. That not only matches the federal government’s contribution of $450 000 but exceeds it by $10 000.

It is significant that for the first time federal, state and local governments have come together with a single business focus. It would be worthwhile if a number of opposition members took the opportunity to wander over to the First Stop Business Shop. I reiterate my challenge to the honourable member for Geelong North to contemplate running a successful small business, thus proving wrong the indication of the former Premier of this state that members of the Labor Party lack the requisite financial and administrative acumen to run a government.

For the benefit of the record I will outline some of the economic and social benefits that relate to the small business sector. The Bolton committee in the United Kingdom identified eight important economic functions of small business which can be applied to the Australian situation. This information is included in a paper dated 1982 which I obtained from the Department of the Parliamentary Library.
It states that areas of importance to small business include:

- the activities of small firms as specialist suppliers of parts, subassemblies and components to large companies;
- their importance as a source of innovations in products, techniques and services;
- the competition, both actual and potential, which small firms provide and which serves to check monopoly profits and inefficiency of monopoly;
- the provision of a productive outlet for the energies of enterprising and independent people who prefer to be self-employed;
- their contribution in industries or trades in which the optimum size of the enterprise is small; and
- their contribution to the variety of products and services offered because they are able to exist in a limited or specialised market which a large firm would not find worthwhile or economic.

I especially wish to place on record the following points:

The committee considered the following two functions as perhaps the most important performed by small business:

- provision of a breeding ground for new industries;
- provision of a means of entry into business for new entrepreneurial talent and the basis for new large companies which will grow to challenge and stimulate established large firms.

One can consider the way that a number of Victorian businesses were initially established as small businesses. A number of ingredients that lead to the success of a small business are reflected in the histories of these companies: G.J. Coles and Co. Pty Ltd, Myer Ltd, Johns and Waygood, and the Sunshine Harvester company, which was in the electorate of the honourable member for Sunshine.

Within my own electorate a number of companies that started as small business enterprises have subsequently prospered. They include companies such as Ipec, which started about 12 to 14 years ago and which now has a turnover of more than $100 million. Such an enterprise would have had little chance of getting off the ground in a regulated economy. Gale Australia, a knittedwear manufacturer that was going down the drain, has prospered since some fishing wire was fed into that company's knitting machines and a new product was developed. It has a multitude of applications, including shade cloth for placement over grape vines and car yards. It has also been used to make a wind wall, a product which is being exported to international markets.

I also refer to the TED Engineering Group, which was established 25 or 26 years ago by a Hungarian Jew who was orphaned at the age of six. He now employs more than 100 people and is working on the current challenge for the America's Cup. He has done the tooling for the Boeing 777 rudder and is able to produce a product that is able to compete extremely well overseas.

Arnos Australia Pty Ltd is a local company established by a British immigrant 51 years ago. It supplies office products and systems for overseas markets and employs 35 to 40 people. It represents an enterprise that is still owned by the original family and is doing outstanding work in providing employment opportunities for Australians and in developing innovative products to international markets.

Ronstan 2000 Pty Ltd was a company on the ropes three or four years ago but it now employs more than 100 people and exports to 35 countries. It was established by a sole business proprietor some 20 to 30 years ago.

Finally, Spring Valley Fruit Juices began production in Hawthorn Road, Caulfield, a number of years ago. I had the privilege of working on the small factory as a builder's labourer in the early 1970s.

Mr Baker — Did you have a ticket?

Mr THOMPSON — No, I did not, but we worked just as hard, if not harder.

Mr Micallef — No ticket, no start!

Mr THOMPSON — That will be the case with the new Department of Transport tickets: no ticket, no start. That company now operates in my electorate and exports fruit juices around the world. It was unfortunately taken over by an American company about 18 months ago. A local businessman was able to develop an Australian product to a scale of magnitude that is capable of not only servicing
the Australian domestic market but also supplying to a small degree the international market.

I pose the question: why should we become more competitive? A more important question is: what will happen if we do not become competitive? I put it to the house that the state's income will drop, which will result in reduced funding being available for education, health, transport and community services.

In 1981-82, 84 per cent of government income was distributed across a range of government services. According to a pamphlet emanating from the Treasurer, a projection indicated that by the year 2000 only 56 per cent of what was earned by the state by way of taxation could be available for expenditure across a range of government services. The federal position is equally serious. In 1986 the net foreign debt was $76 billion but today it stands at $172 billion.

The Victorian government has endeavoured to tackle the big picture reforms. The Employee Relations Act endeavoured to focus on productivity in the workplace. WorkCover legislation was implemented when Victoria was paying 1.5 per cent more in payroll tax than New South Wales. History will show that the return of the federal Keating government on 13 March 1993 frustrated the implementation of the Victorian coalition government's reforms, and in the longer term that will be to Australia's detriment.

WorkCover reforms have already been successful in reducing the cost to employers. I have no difficulty accepting that full recompense should be given to those who are genuinely injured in the workplace. A number of those people walk through my office door. One fellow who lost half his forearm when a bevelling machine became unstuck in his place of work in Kyabram was back at work three months later with his arm bandaged. He elected to work with one arm so that he was not a burden on his employer. That is the sort of spirit that will see the advance of the long-term economic interests of the community. At the same time there is the story of the person who appeared before the workers compensation tribunal with a shoulder injury. When the judge asked the person how high he or she could lift his or her arm he was told, 'I can get my arm to this height'. The judge would then ask, 'How high could you lift your arm before the accident?', and the person would respond, 'I could get it to this height', indicating full reach. That story demonstrates sortering of the system to the extent that employers were having to spend money on workers compensation and not enough on research and development and reinvestment in enterprise.

Mr Baker — That is totally insensitive!

The Acting Speaker (Mr Cooper) — Order! The honourable member for Sunshine will assist the debate by remaining quiet.

Mr Thompson — So that my comments are not misconstrued I reiterate that many workers who sustain injuries and maims deserve every available compensation. I would not withhold one cent from those people but I believe the fraud unit at the Accident Compensation Commission has an adequate number of files to support the contention I have just made. However they are in the minority. I reiterate that it is important that those who have suffered injury receive the optimum level of compensation for injuries they will carry for the rest of their lives.

The honourable member for Geelong referred to the overseas junkets taken by the Premier in January. The Leader of the Opposition was reported in the Age of 31 January. He stated:

I have no objection to overseas trips providing there is a clear benefit to the state or nation...

Shortly after the government came to office it had interest payments that were 1.34 per cent higher than the commonwealth obligations to pay interest on borrowings, but as a result of representations made by the Premier and the Treasurer on their overseas travels the lending rate was reduced by 1 per cent with a net result being an obligation of $400 million less to be paid by the Victorian government over the next decade. It is a significant reform.

A number of important initiatives have been put in place since the Minister for Small Business took office: 8000 new small businesses have been established in Victoria — this is a net gain — and an additional 25 500 Victorians have been employed by small business. A significant aspect is that the Victorian export sector, particularly small business, has outclassed and outperformed the growth rates of every other state. Over the last 12 months, Victoria's export performance is 45 per cent above the national average.

The long-term economic prosperity of Victoria can only be improved in three particular areas: firstly, by...
the attraction of further investment capital to Victoria; secondly, by expanding our access to export markets; and thirdly, by the relocation of the Australian skill bases into overseas economies with a remittance of profits back to Australia.

The ACTING SPEAKER — Order! The honourable member has 2 minutes.

Mr THOMPSON — According to the National Business Bulletin of December 1993 the latest certified practising accountants small business health index confirmed that small business is not only moving, but moving ahead of the general business average. It is now on the move again in Victoria. The forecast of improvement for the next 12 months shows that Melbourne has improved significantly and outperformed Sydney when one contrasts the figures for 1992 with 1993. Part of that can be attributed to the excellent work undertaken by the Victorian government. The reforms that have been undertaken in Victoria are designed to make its products more competitive on the international market. Some time ago Prime Minister Goh of Singapore stated:

You don't have to be close to the region to play a part in its development. In Singapore for example, if we were looking for strategic alliances with companies from another country which can provide expertise and technology, then Germany would be a better partner than Australia.

A survey was undertaken in Japan on the national perception of the underpinning values of society. The values were rated in order of priority. The most important category in which the respondents took pride was the industry and the abilities of its people. We are competing against nations where the people hold those values. The object of the reforms by the Victorian government are not to impose greater burdens on the Victorian people but to provide longer-term opportunities for them. Numerous examples exist of nations that have begun from a less prosperous position that have gained advantages — —

The ACTING SPEAKER — Order! The honourable member’s time has expired.

Mr PANDAZOPOULOS (Dandenong) — Beyond the rhetoric of coalition members about small business, the reality is that there is no major difference between the coalition and the Labor Party on the issue. If government members tried to be reasonable on the issue they would realise in looking back over the past decade of Labor government that there are no huge differences between the parties on the issue.

The major areas of difference between the parties are in industrial relations, the role of employer groups such as the Victorian Employers Chamber of Commerce and Industry (VECCI) and the level of financial support provided to government agencies that assist businesses.

The bill is a Clayton’s bill. It makes cosmetic changes to the principal act to make it appear that something is happening in the small business area. It has been part of the approach of the government to talk up the economy and the state. Although there is nothing necessarily wrong with that, the real test of the support provided to small business by the state government is the level of resource support provided.

I am fortunate to have in my electorate the second largest central business district area in the Melbourne metropolitan area. The Dandenong central business area includes — —

Mr Leigh interjected.

Mr HAERMeyer (Yan Yean) — On a point of order, Mr Acting Speaker, the honourable member for Mordialloc, who has only just returned to his place, has been making racist inferences against my ethnic heritage. I take offence to that behaviour and I suggest that you ask him to withdraw. I also suggest that you insist that he desist from making those sorts of remarks.

The ACTING SPEAKER — Order! Is the honourable member for Mordialloc making racist remarks?

Mr HAERMeyer — The honourable member for Mordialloc, firstly, said, ‘Achtung, mein Fuhrer!’.

Mr Perton interjected.

The ACTING SPEAKER — Order!

Mr HAERMeyer — He then proceeded to raise his hand above his shoulder and said, ‘Heil!’ I find that offensive.

The ACTING SPEAKER — Order! The honourable member has explained what he finds
offensive. Will the honourable member for Mordialloc please withdraw the remarks he made.

Mr LEIGH (Mordialloc) — I would be delighted, but I can only withdraw one part — —

Mr Micallef interjected.

The ACTING SPEAKER — Order! The honourable member for Springvale will cease interjecting while I am dealing with this matter.

Mr Micallef interjected.

The ACTING SPEAKER — Order! If the honourable member for Springvale continues to defy me I will call Mr Speaker.

Mr Micallef — I will if he keeps making racist remarks.

The ACTING SPEAKER — Order! I warn the honourable member for Springvale that I will call Mr Speaker if he utters one more word. The honourable member for Mordialloc has been asked to withdraw. I ask him now to get to his feet and to say, 'I withdraw'.

Mr LEIGH — I did withdraw, Mr Acting Speaker.

Mr PANDAZOPOULOS (Dandenong) — Before the interruption I was saying that I am fortunate to have in my electorate the second largest central business district area of Melbourne — the Dandenong central business district.

My work as a member of Parliament involves working with businesses as well as with residents, including businesses that come under all the definitions included in the bill, such as manufacturing, retail, the service sector and the new definition of agricultural production.

It is important to understand that most small businesses are not members of employer organisations such as the VECCI or local traders groups. Most are family-owned enterprises that are too busy trying to keep their heads above water to become involved with business groups. Many business people in my electorate tell me that they do not trust business groups because they tend to be too political and do not necessarily help them in their businesses or focus on the sorts of issues local businesses consider important at the local level. In Dandenong the issues include developing strategies to encourage more shoppers to retail areas and for accessing new markets for manufactures.

They also complain that when they do ring VECCI they are told that if they want advice they must join. That is an interesting comment in view of the remarks of government members about unions. Small business people want to get on with their businesses. They do not like government interference or political interference from employer groups or any other sector.

I am fortunate that in recent years in my electorate a proper strategy has been developed with the assistance of Small Business Victoria (SBV). Together with local traders and the local municipal council, SBV has developed a strategy to promote Dandenong as a place to shop and do business. Many businesses look forward to the continuing development of that strategy.

Much of the work involves getting in place government infrastructure, such as the police and courts complex that will soon be opened, and a redeveloped railway station to assist in building the image of the retailing area. People involved in small business say that the package of government infrastructure has to be right. The Dandenong representative of Small Business Victoria has made a contribution by stating that the government infrastructure has to be right in places like Dandenong to attract new business and promote the south-eastern region of Melbourne as a centre with the highest concentration of exporting manufacturers in Victoria rather than as a rust belt.

Small Business Victoria has gone beyond the politics and has tried to get the strategy right for the state. SBV has a role in encouraging the success of small business. It is there to provide advice and to assist in working through the inevitable bureaucratic processes that exist in both the public and private sectors. SBV also acts in an independent and confidential way because many businesses do not want their competitors to know their new investment plans.

Business development includes adopting better management techniques. We constantly hear about the number of business failures. It is a sad fact of life that many people who go into business have great ideas but lack appropriate management and planning techniques. During the late 1980s Victoria had the highest rate of increase in small businesses of any state. Since 1989 there have been many...
business failures, and most of those that failed used poor management techniques.

Business development includes assisting and advising with job creation. Many businesses do not have ready access to information about how they can assist in creating jobs and what state and federal government programs are available. In conjunction with the federal Department of Employment, Education and Training, Small Business Victoria has done much to promote the use of the number of federal job schemes available.

Small business operators are reluctant to employ people when they are uncertain about whether they can continue that employment once the federal assistance ceases. SBV has assisted in allaying the fears and concerns of business people in the Dandenong area.

Business development also means working with business to identify barriers to success: the sorts of problems businesses might be faced with and how to handle those situations if they arise. It entails new product development, the investigation of new technologies and an assessment of whether they are worthwhile and will make establishments more efficient and capable of meeting the various quality controls and standards accreditations that are becoming more important, particularly in manufacturing in the Dandenong region.

Business development is also about coordinating business plans and focusing on how to make higher profits and reduce costs and so on. In a place like Dandenong it becomes difficult when the SBV office is serviced by only one person who also has to service areas such as Gippsland and Westernport.

I know there is great concern about the lack of resources in the SBV office to assist the range of businesses in the entire region. Having a successful small business does not simply come through organisations such as SBV. All that Small Business Victoria can do is encourage, work with businesses, facilitate, advise and refer. The rest is up to the business itself and the climate created by the government to increase confidence to invest and spend.

Small business often faces powerful vested interests. A typical complaint of small business relates to the powerful vested interests that make it hard for businesses to continue to survive, let alone expand and become involved in new product areas. A typical complaint from small business is the power of big businesses that want to get bigger by squeezing them out. All too often we hear of fast food outlets such as the old fish and chip shops, hamburger places and milk bars getting squeezed out by the large supermarkets and fast food industry multinationals.

The Herald Sun of 17 January this year contained an article about the difficulties faced by milk bars in a new environment. Victoria has some 6000 registered milk bars all of which are family owned and operated — mostly by migrants. Some 20 000 people are directly and indirectly employed in the milk bar sector. When we include the transport of goods and so on, one realises up to 40 000 people have jobs because of the existence of milk bars. However, milk bars are being squeezed financially by growth in shops such as 7 Eleven and Food Plus stores as well as the diversification of petrol stations into mini-marts. In view of the current situation the government should be embarrassed about using rhetoric to describe how supportive it is of milk bars.

In the article of 17 January 1994 Peter Judkins, the former director of the Mixed Business Association, is reported as blaming the state government and Sunday trading for forcing the closure of many milk bars and threatening their viability. He also mentions the high cost of goods purchased by milk bars as compared with supermarkets. For example, soft drinks cost milk bars 35 per cent more than they cost supermarkets. That huge differential certainly warrants the minister approaching the Prices Surveillance Authority to find out why it costs milk bars so much to buy their goods as compared with supermarkets. If the government is really serious about supporting small business it should be addressing those issues.

In the same newspaper article Peter Emmott is reported as saying he is furious that despite the rhetoric from the government nothing is being done to stop the demise of the milk bar. He claims that within a year his takings have dropped by $2000 a week and he now earns $3 an hour after costs. Similar impacts have been felt in the fast food small business area. I instance the examples of milk bars and small fast food outlets; those issues typify how the system has developed and how we as consumers have the ability to change our expectations about the sorts of goods and services we desire.

Honourable members interjecting.

Mr PANDAZOPOULOS — If you had bothered to listen — —
The SPEAKER — Order! The house will come to order. Interjections are disorderly. I expect better behaviour.

Mr PANDAZOPOULOS — If honourable members opposite listen they might actually understand what I am talking about. I used the example of milk bars to illustrate the way we as consumers have changed our expectations of the kinds of goods and services we need, thereby forcing the change in the role of milk bars and the fast food industry. That is an area where Small Business Victoria can play a crucial role: once it is appropriately resourced and funded, it could work with businesses and help them predict the changes that may occur in the marketplace and develop strategies to deal with the new challenges.

It is of concern to small business in Victoria that very little economic growth is taking place despite the government’s rhetoric about the expectations of an improvement. We know from press reports in recent weeks that Christmas sales have been stagnant. We know that domestic tourism in Victoria has declined as a result of changes to public holidays. We all know how important the tourism sector is to Victoria: it is one of the biggest employers in the state and has huge potential both in metropolitan Melbourne and country Victoria. We have done Tasmania a great favour by becoming the state with the highest unemployment rate, which is expected to continue to escalate. The high unemployment will continue to dampen demand, which will slow business growth.

The 100 people who are leaving the state each week with their redundancy payments will set up small businesses in Queensland. The Victorian government has a good small business strategy: to make people redundant in Victoria and help them establish small businesses in Queensland. Another strategy has been to put people on contract and call them small business people.

Mr PANDAZOPOULOS — With respect, Mr Speaker, several speakers before me have also referred to their perceptions of the performance of the former Labor government and related that to Small Business Victoria. I am trying to do the same thing. Of course honourable members on either side of the house have different opinions about what happened and what was appropriate in the 1980s.

Honourable members interjecting.

Mr PANDAZOPOULOS — The state government is saying that with the assistance of organisations such as Small Business Victoria, the economy is moving up, but the reality is that the economy is not moving, irrespective of what SBV does.

The SPEAKER — Order! I was not present during the contributions of other honourable members. I shall give the honourable member the benefit of the doubt but I make a special plea to him to try to relate his remarks to the bill.

Mr PANDAZOPOULOS — I will certainly do that, Sir. Small Business Victoria is only one small cog in the small business area. It can play an important role in assisting business development in the state, but because it is only one small cog, there is much more to talk about in the small business area. However, I shall focus on SBV if that is what the house wishes me to do.

For many people who have had the opportunity to use the services of Small Business Victoria, it has been not just a small cog but a crucial part of their financial success. The government continues to pretend there is a huge expansion in the small business area, but small business is growing much more slowly than it should be because there is uncertainty about the government’s financial strategy. Without appropriate government support SBV cannot further accelerate the potential small business development in Victoria and Dandenong.

Mr McLELLAN (Frankston East) — Although the Small Business Development Corporation has had some success over the years in assisting small business in this state I am pleased that it will be restructured and that the new organisation will be known as Small Business Victoria (SBV). The bill provides for the appointment of a new general manager and board and a small business consultative council. It will avoid duplication and will rationalise the way SBV operates. The organisation will refocus its agenda back on to small businesses and the people operating them.
The bill will remove the lending arm of the former corporation. That can only be a good thing for Victoria because very few government instrumentalities or bodies can pick winners. If one studies the form of those organisations it is hard for one to say whether some of them could pick the quinella in a two-horse race, let alone the winner. The bill will ensure that taxpayers' funds are no longer put at risk.

In becoming a facilitator SBV will cooperate with and place emphasis on the private sector. Who better to judge the needs of small businesses, say where the emphasis should be put and offer assistance to certain sectors than the people out there operating those businesses?

The bill will allow the small business centre to be used as a vehicle for information. Details of some 55,000 telephone calls and inquiries every year that up until now have been wasted will be passed on to the minister and his department so that they can study them and determine where additional facilities should be placed.

The bill will also improve the operations of the one-stop shop. It will be the first time that a central licensing system will be available to people to set up small business. Any honourable member who has been through the process of chasing permits and licences to establish a small business will realise that it is frustrating to go from place to place and then be told that one government organisation has made a mistake and that additional permits are required. The bill will reduce costs, save time and remove some of the disincentives associated with starting a small business. It will remove the frustration incurred when dealing with bureaucrats and people who for some reason cannot get things right.

Honourable members have mentioned the importance of small business to the economy of Victoria. There is no doubt that they are the wealth producers, the job creators and the people who support their employees and their families. Without them we will get nowhere. It is appropriate for honourable members to recognise the sacrifices that are made by people who open and operate small businesses. Those people generally go out on a limb, mortgage their homes and take out bank overdrafts to get their businesses off the ground. In the early years of a business many operators do not take holidays but continue working long hours while their staff are on leave. They work through 12 months of the year to keep the cash flow coming in and allow their businesses to continue to operate.

It is about time vested interest groups took off their blinkers, opened their eyes and supported small business. Small business people should be recognised for the long hours they work and the sacrifices they make to keep their businesses operating successfully. If any honourable member has been associated with the loss of a business, he or she will know that there is nothing worse than going home and telling your family that the business has failed and you have lost your job.

The honourable member for Dandenong spoke about better management techniques, but he forgot to mention workplace reforms that are necessary for a business to operate successfully. He forgot to mention cooperation, improved productivity and loyalty. All those issues relate to both employer and employee. If all members of the work force do not try to make the business work to protect their jobs as well as the future of the business they will all be in trouble. It amazes me that the honourable member has failed to recognise those facts.

Over the past 17 months there has been a renewed confidence in Victoria. In the Frankston area the empty factories, shops and other workplaces are slowly filling up with people. Local traders and their representatives say there is a completely new confidence in the area and that things are turning around because people believe they can succeed. Gone are the days when there were 250 bankruptcies every month. I am delighted that people have this renewed confidence and believe they can operate a business without worrying about going down the gurgler. For a long time that seemed the obvious course that a lot of businesses were going to take.

It has been said that over the past 17 months some 8000 new businesses have commenced operations, which has created 25,000 new jobs. That can only be good for Victoria. The re-establishment of Small Business Victoria will provide a great service to the state. It will get rid of poor capital lending and will facilitate service being provided by the private sector. In the long run that can only be good for all Victorians. SBV will allow small business to create wealth to enable us to look after our families. I commend the bill to the house.

Mr HAERMeyer (Yan Yean) — Before I address the substance of my remarks on the bill I will respond to some of the comments made by the honourable member for Sandringham. The honourable member quoted an editorial from one of the Wimmera newspapers. The Minister for Small Business was reported as having said that he...
regretted the sacking of 30,000 workers from the public sector. Those 30,000 people all earned incomes, a significant portion of which would have been spent on small businesses around the state. I am sure that many small businesses would also regret the sacking of 30,000 people in the public sector.

The minister was then quoted as saying that we are no longer using money borrowed overseas to employ people. That is certainly true. We are now sacking people and paying them out with money borrowed overseas. Some $3 billion has been borrowed to put people on to the dole queues — that is what the government has done.

The honourable member then brought up the standard mantra of this government: ‘Gee, if opposition members don’t have any business experience they shouldn’t be in here’. As a person with some small business experience I find it interesting that government members continue to support that view. Why are those government members in the house?

The reality is that this is the place where the Liberal and National parties send their people who have failed in business. If they are such business successes why are they not out making their fortunes in the private sector? Perhaps some of them see government as a great opportunity to make their fortunes. It is obvious that they could not do it outside. Let us not hear any more of this trashy loftiness from government members about their experience in the private sector.

Clearly small business is an extremely important part of the economy. As was said earlier, small business makes up 96 per cent of total business in Australia, it constitutes 50 per cent of private sector employment and makes up 43 per cent of the nation’s gross domestic product. It is a major contributor to the state and federal economies.

The bill cleans up outdated provisions of the act but also changes the nature of the Small Business Development Corporation — now to be known as Small Business Victoria — which will adversely affect small business. The government has passed up a golden opportunity to redefine the role of the Small Business Development Corporation so that it is more pro-active and able to provide assistance to small business in this state. The Kennett government talks about supporting small business, but it is really about smaller business; it is undermining the base on which this state must to survive.

Let us look at the reality: since this government came to office taxes and charges have been savagely increased. The coalition government is now the highest taxing and highest charging government in the history of this state and is the highest taxing and highest charging government in Australia.

During question time the house heard a lot of hypocritical nonsense from the Premier. How dare he come in here and talk about Telecom when he has introduced an additional $1.4 billion worth of taxes and charges. Those increases affect small business. Even what appear to be small charges, such as the state deficit levy, affect small businesses much more than they affect large businesses because such charges are not collected as a proportion of a business’s income or turnover; it is a flat rate. It does not matter whether it is the owner of a small milk bar or a fish and chip shop struggling to makes ends meet; they all have to fork out the same amount for the state deficit levy.

This government is also the government that introduced 24-hour trading in the central business district. What about all those small businesses in the suburbs? They are losing their market share to Myers in the CBD while this government is given a golden — —

Mr Pandazopoulos — Chook!

Mr HAERMeyer — Exactly! Furthermore, small businesses are highly sensitive to consumer demand, yet the government has done nothing since it has come to office to improve consumer demand in Victoria. It has sacked 30,000 public servants and, as I said earlier, all of those people had money to spend. They no longer have it and are therefore no longer able to assist small businesses. Instead they are taking their voluntary departure packages and going to Queensland. The government is financing an $800 million kick start to the Queensland economy. It will not kick start business in Victoria, but it will kick start business in Queensland!

Mr Weideman interjected.

The SPEAKER — Order! The honourable member for Frankston is being disorderly. I suggest that he return to his place and keep quiet.

Mr HAERMeyer — More than 145 people a day are leaving this state. That is 145 people who are not buying products in this state and who are not frequenting shops. That decreases consumption and
demand for the goods and services that small business provides.

As I said earlier, the changes in this bill are necessary to bring small business legislation up to date. The change of name of the Small Business Development Corporation to Small Business Victoria is a typical Kennett government stunt; it does nothing for anybody but is a nice, glossy term.

The bill expands the definition of small business to include any manufacturing industry with less than 100 employees, other industries with less than 100 employees and agricultural businesses earning less than $400 000 a year. The opposition does not oppose that, but it is concerned that the government does not propose to expand the funding of Small Business Victoria to match the expansion of businesses that it will cover. If the funding does not keep up with the number of new small businesses, its funding will be spread thinly across an ever-increasing number of businesses and less assistance will be offered to businesses rather than more.

The bill also seeks to remove the power of the Small Business Development Corporation to assist small business through larger — —

Honourable members interjecting.

The SPEAKER — Order! The conversation and taunts across the chamber are disorderly. I ask the honourable members for Murray Valley and Sunshine to come to order.

Mr HAERMeyer — The legislation reduces loans and guarantees to assist small business, yet it is all right for the Kennett government to provide loans and guarantees to someone who wants to start a airline or to provide funding for Tattersall’s to bring a lot of British MPs to Australia.

Mr HEFFERNAN (Minister for Small Business) — I thank the opposition spokesman for small business, the honourable member for Geelong North, his colleagues and government members for their contributions. Although the public would not realise it, we all agree that small business is important, and the opposition supports the government’s bill.

I wish to clear up a few matters raised by the opposition spokesman. Firstly, he was wrong when he said that Small Business Victoria is shrinking. A major strategy is being prepared to give SBV a direction for the 1990s so that its focus is directed to supplying important services for small business.

I have put a stop to the enormous duplication of services available to small business. Small business people should not be criticised because they are contributing to the growth of Victoria. However, the duplication that was taking place before this government came to office was unbelievable, and my department is now coordinating all those services. Small Business Victoria will go from strength to strength. I emphasise that the private sector has priority where possible. I make no apologies for that, and I assure opposition members that the government will coordinate and facilitate those services.

The honourable member for Geelong North had many concerns. Firstly, he was worried about the additional resources that would be needed. The strategy study, which is expected to be finished next month, will recommend what should be done in conjunction with regional development. The opposition may not realise that regional development will take place wherever offices are established under the auspices of the Minister for Regional Development. Because it is important that resources are not duplicated, I will consult with the minister in due course.

Debate interrupted pursuant to sessional orders.

ADJOURNMENT

The SPEAKER — Order! Under sessional orders the time for the adjournment of the house has arrived.

Waverley Park transport interchange

Mr BATCHELOR (Thomastown) — I direct to the attention of the Minister for Public Transport the proposal for Waverley Park to be used as a transport interchange. The issue has been raised throughout the south-eastern corridor of Melbourne and goes to the core of the administration of the Department of Transport.

I am in the unusual position of supporting a call by the local Liberal Party branch for the Minister for Public Transport to respond to a proposal to improve public transport to and from Waverley Park. The Mulgrave branch of the Liberal Party has been unable to get the minister to take an interest in their branch deliberations, policies and ideas. Given the way he treats members of his own party, I now
understand why the minister treats members of the public so poorly — especially loyal commuters on the Met.

The opposition has been leaked a copy of a letter that has been circulated throughout not only the Mulgrave branch of the Liberal Party but also the upper echelons of the party's political and administrative wings. The writers of the letter make a scathing attack on the minister, saying that party members have received better treatment from the Minister for Roads and Ports, who is a member of the National Party.

The branch wrote to the Minister for Roads and Ports on 20 December and received a perfunctory response; and it has heard nothing since. Branch members have been given the mushroom treatment and are being kept in the dark. The Minister for Public Transport should respond to their simple request.

Women in trade unions

Mr LEIGH (Mordialloc) — I ask the Minister for Industry and Employment to direct to the attention of the Minister responsible for Women's Affairs the issue of women in trade unions. I ask the minister to help right a wrong in the trade union movement, which is one of the principal discriminatory groups in society. The trade union movement is a sexist organisation. The vast majority of trade union members are men, and women occupy very few senior positions.

The Labor Party, which often talks about affirmative action, is in the process of adopting a resolution stipulating that women constitute 35 per cent of its parliamentary representatives, which will mean that many members of the Labor Party in this place will be forced to resign! In a recent article in the Age the former Commissioner for Equal Opportunity, Moira Rayner, states:

I want the best women and the best men in Parliament. I don't want quotas of anything if they are timeservers, the merely opinionated professional 'networkers' or number-crunchers. I want representatives with outstanding qualities, particularly intelligence, humility and moral courage.

Not one of the members opposite qualifies under those criteria. The leading light of this affirmative action policy for the Labor Party and the trade union movement is none other than the former Premier, the honourable member for Williamstown. It is important that the Minister responsible for Women's Affairs is aware of what happened when the honourable member for Williamstown got the Premiersh over the former honourable member for Knox, Mr Crabb. The honourable member for Williamstown was Acting Premier at the time and, according to a report in the Mordialloc-Chelsea News, she told students:

... she should have said, 'You come over here mate,' but she did not and went to his office. She said Mr Crabb spent 20 minutes telling her why he would be the better Premier.

At the end of the meeting she had decided she would make a 'very good' premier, she told the students.

She described this as an example of:

'Male politics' and the assumption that men were better.

One assumes from that that Mr Crabb thought he was better than she. The close buddy of the honourable member for Williamstown, the former equal opportunity commissioner, says that we do not want that system and that we want the best people in our society. We want the trade union movement to stop being a pack of sexists and appoint a few more women.

Sure, it has Jenny George, but who did it have in charge — Bob Hawke, the biggest womaniser in the country. The fact of the matter is that it is time for this political bunch of extremists to — —

The SPEAKER — Order! The honourable member's time has expired.

Munro Primary School

Mr HAMILTON (Morwell) — I direct the attention of the Minister for Education to an ongoing dispute at the Munro Primary School — more accurately called the Munro Education Centre, which is some 10 kilometres east of Stratford on the Princes Highway. Although country people do not defy the system lightly, this group of parents has continued to run a school at Munro with a total of 15 students. The school has a volunteer primary teacher with 26 years experience; two secondary-trained specialist teachers in languages and home economics; and a specialist physical education teacher.

They are ordinary country people. Although in their wildest dreams they would not defy the law, they
consider a great injustice has been done to them, their school and their community. It is a situation unique to Victoria and certainly to country Victoria and Gippsland. Although I do not want to teach the minister how to suck eggs the minister needs to learn about the art of negotiation. These people are determined and serious; they consider they are entitled to negotiate with the minister.

I understand that the people concerned met with some of the regional officers. It is a special situation — they are special people with a special cause. The Minister for Education should take time out, meet the people at Munro, see what they are doing, look at their issues and sensibly negotiate a solution. Although it does not seem to be asking much, it will address an important problem in Munro.

Roadside maintenance

Mr LUPTON (Knox) — I direct the attention of the Minister for Public Transport who is the representative in this place of the Minister for Roads and Ports to the maintenance of the main arterial roads in the City of Knox.

The previous government called for tenders for the maintenance of roadsides, but regrettably no degree of service has been provided for the various roadsides. Victoria boasts that it is the garden state, but the City of Knox has become a city of untidiness. It is apparent there is little supervision of the maintenance contracts. Although the tenders were let on a trial basis, the maintenance of the roadsides and median strips is not being carried out in the way the people of Knox would expect.

I ask the Minister for Roads and Ports to review the contracts to ensure that the grass is cut and the City of Knox is properly maintained so that it looks attractive. The community should be proud of its roadsides and median strips, but unfortunately the area has deteriorated. I ask the minister to intervene and ensure that proper maintenance is provided.

Macedon water supply

Mr HAERMeyer (Yan Yean) — I direct the attention of the Minister for Natural Resources to his decision that Melbourne Water cannot take over any part of the Macedon region water system. The people of Sunbury are interested in becoming part of the Melbourne Water system and are entitled to ask the Chief Executive Officer of Melbourne Water — —

Mr Finn interjected.

The SPEAKER — Order! I warn the honourable member for Tullamarine that his behaviour is unacceptable. It is not the first time that I have had to inform him that he may not lean back and interject time and again. Honourable members often demean themselves by having to be warned a number of times. If the honourable member for Tullamarine interjects again I will name him.

Mr HAERMeyer — The people of Sunbury want the Chief Executive Officer of Melbourne Water, Mr David Knipe, and his representatives, to outline the cost to the ratepayers of Sunbury of linking the system with the Melbourne Water system.

Clearly the Kennett government wants to keep the Sunbury ratepayers within the Macedon Region Water Authority so they can subsidise the property owners on Mount Macedon. The ratepayers of Sunbury have the right to choose. It is clear that the Macedon Region Water Authority wants to provide sewerage facilities to Mount Macedon and wants the ratepayers of Sunbury and Bulla to pay for it.

The decision by the minister to delay the restructuring of the water authorities in the western and north-western suburbs should provide time for a major rethink.

In Sunbury the current minimum water rate for home-owners is $761 per annum. The proposal to provide sewerage for Macedon and Mount Macedon at a cost of $100 million should not be imposed on the ratepayers of Sunbury and Bulla. It would have to be demonstrated that it is in the interests of the environment to sewer Mount Macedon. In the history of the provision of water and sewerage in Melbourne, extensions to the headworks in new suburbs, including towns on the suburban fringe, have been paid for by all the ratepayers of Melbourne. It is unlikely that the ratepayers of Sunbury, Bulla, Lancefield, Romsey, Melton and Bacchus Marsh would have the capacity to finance major backing programs such as the one suggested for Mount Macedon, and on the ground of equity they should not have to do so.

Will the minister allow the residents of Sunbury and Bulla to have discussions with officers of Melbourne Water concerning the merits of Melbourne Water providing water to those areas, and will he allow the Honourable Don Nardella, a local member, and the
Honourable Barry Pullen, the shadow minister, to lead the deputation?

**Real estate subagents**

Mr JASPER (Murray Valley) — I refer the Minister for Industry and Employment to representations I and, I assume, other honourable members have received regarding a matter of great concern to real estate agents. The minister will be aware that the Mutual Recognition Act, which was passed last year, allows tradespeople and professionals to be recognised across state borders. It is an advantage for them to be able to operate across the border.

A matter that should be of particular concern to honourable members whose electorates border New South Wales and South Australia is that the recognition of subagents has provided the opportunity for large operators in Victoria to be registered as real estate agents and to have subagents operating for them, particularly in country areas. The minister would be aware of the difficulty this is causing.

I seek an assurance from the minister that he will consider the matter and try to protect subagents operating in Victoria. It has been suggested that there has been a mutual recognition of real estate agents, but the difficulty is having the continued recognition of subagents operating in Victoria.

I believe the matter can be resolved. Discussions will need to be held with interested parties from other states and between the relevant ministers. I understand the Attorney-General and the Minister for Industry and Employment have been involved in discussions on the issue. I seek an assurance from the minister that he will resolve the matter to protect licensed subagents, particularly those operating in country Victoria.

**Rosebud Lifesaving Club**

Mr BRUMBY (Leader of the Opposition) — I ask the Minister for Planning to direct to the attention of the Minister for Roads and Ports in another place the sand erosion that is causing serious problems for the Rosebud Lifesaving Club. I am sure the matter will concern all honourable members. Some weeks ago, in the company of Mr Ian Pugh, the Labor candidate for Dromana, I visited the Rosebud Lifesaving Club at the request of the president, Mr John Vardanega.

The problem, which has existed for some decades, is that the sand is eroding, and what was a 50-metre beach — I often swam there as a child — between the lifesaving club and the tide line has eroded to nothing. When the tide comes in the lifesaving club risks being washed away.

In conjunction with the Port of Melbourne Authority the previous government had begun work designed to arrest the problem. Wooden groynes were installed in the bay and the authority was filling them with sand. At the time of the last state election the work was only half complete, and nothing has been undertaken since.

A procession of members of Parliament from the opposition and government parties have considered the problem. The Minister for Roads and Ports, Mr Baxter, recently made an announcement on the problem. He said the situation at the beach was 'far more serious' than he had thought. He is recorded in the *Southern Peninsula Gazette* of Tuesday, 1 March, as saying:

> There's a hell of a problem here, that's for sure. Some action needs to be taken to arrest what's happening.

But the minister then said there was no money to address the problem. I put it to the house that on occasions there are matters on which all members should agree. The erosion problem is serious. A beach that was previously some 50 metres wide has disappeared.

The lifesaving club has been there for many years. On Australia Day this year four swimmers were saved by club members. The Port of Melbourne Authority should assist by putting more sand between the groynes to restore the beach. The tens of thousands of people who travel to Rosebud, Rye and McCrae would greatly appreciate that. The work is sorely needed; it is a genuine case. I ask the minister to reconsider his decision and to provide the funds for this worthwhile project.

**Meat inspection**

Mr McARTHUR (Monbulk) — In the absence of the Minister for Agriculture I direct to the attention of the Minister for Industry and Employment an absolutely disgraceful campaign run by a section of the Public Sector Union aimed at denigrating and defaming a major industry in Victoria.

The meat industry is a substantial employer in both metropolitan and regional centres. It is a significant contributor to the state's economy and a major export dollar earner. Leaflets headed 'Victorian government condemns meat inspection' have been...
handed out at shopping centres and supermarkets. If members are interested, I am happy to table a copy of the leaflet, which states:

US food expert Tom Devine has described red meat as a toxic substance which should be handled with plastic gloves.

This is the sort of stuff being peddled by a union responsible for public sector employment in an attempt to strongarm the government into changing its mind on reorganising meat inspection for domestic markets.

As a member of the coalition’s agriculture committee, I am proud of the way the government has worked to provide increased opportunities and lower costs, which will allow our meat industry to be more effective and to compete on the national market. For far too long Victorian meat industry jobs have been exported to Queensland and New South Wales because, at the behest of union leaders like Wally Curran, whom the honourable member for Williamstown knows well — — 

Ms Kimer — I was counting the minutes.

Mr McARTHUR — The honourable member can count the minutes. I ask the minister to reassure consumers in Victoria that the meat they buy in supermarkets and other shops is safe, properly inspected, clean and well recognised.

Victorian meat is at the top of the tree so far as meat products are concerned. Consumers have nothing to fear, which the Leader of the Opposition knows full well. I am told that he has had some experience in federal politics, so he should understand the importance of the meat industry. He should be supporting us in condemning members of the Public Sector Union for their disgraceful campaign, which could severely damage a major Victorian industry. While people like Mr Don Ford from the Public Sector Union are running such a scurrilous campaign — —

The SPEAKER — Order! The honourable member’s time has expired.

Respite care

Ms KIRNER (Williamstown) — I raise a matter for the attention of the Minister for Community Services. If the minister had not attended a very important ministerial meeting yesterday he would have been, I am sure, at the demonstration by parents of children and adults with disabilities and would have heard their concerns about the current paper on respite care in Victoria that is being circulated.

I know the Minister for Community Services to be a compassionate person, but I suggest that his department’s efforts in circulating a respite care questionnaire are close to being considered obscene because it has put parents who are already under significant pressure through having to spend all their lives looking after these young people into a situation where they are no longer secure about respite care.

From your wife’s involvement in this area I am sure that you know of their concerns too, Mr Speaker, and realise that respite care can often mean the difference between parents breaking down and parents managing the situation.

I shall read to the house a letter addressed to me from Mrs Rosalyn K. Higham, who has expressed her concerns much better than I could. The letter states:

Dear Joan,

Sure we live in a world which is forever changing, but in my case I don’t want the change! Because as the mother of a mentally handicapped son (26 years) I am very apprehensive about changes which could occur to the respite centres throughout Victoria.

Currently I am reasonably satisfied with the services our family is receiving from the H & CS (Respite Centre), Curlew Avenue, Altona. However if the radical changes proposed are implemented, I am very fearful of the effect it would have on my son and the family unit.

My son Darren is not easy to manage and it is only after some time that the carers at Altona have come to understand him; and I am adamant I shall not agree to him going into private homes for non-professional care.

Indeed Darren requires 24-hour supervision and in a very short space of time he can wreak havoc, such as burning down garages, ripping up good books and taking precious little things which he does not realise are of personal value.

Going into a private home could be a disaster, all those lovely treasures he could destroy.
I may be the subject of severe criticism, but during the night when I am asleep Darren is under and key to eliminate such unpleasant incidents. There are many other heartless type tricks he undertakes but the real essence of this plead is 'Don’t expose ordinary families to this environment of despair and dismay'.

I ask the minister to take this letter seriously, as well as the hundreds of other letters he has received, and to clarify his intention on respite care. It is important that he ensures that nothing of an insecure nature affects these marvellous people who have devoted their whole lives to managing these young people and ensuring that they given the respect and care to which they are entitled.

The SPEAKER — Order! The honourable member’s time has expired.

Port Melbourne planning appeal

Mr SPRY (Bellarine) — I raise for the attention of the Minister for Planning a planning matter in Port Melbourne. I am sorry to say that the person concerned was told by a staff member from the office of the honourable member who represents Port Melbourne that if his case was taken up by a Labor member it would prejudice the outcome of his complaint, and I leave it to the minister to set the record straight in this regard.

The matter concerns a Mr Warren Morley, who is the operator of an indoor go-cart facility. In March 1993 Mr Morley purchased the business at 21 Salmon Street, Port Melbourne, zoned general industry. In December 1993 Mr Morley purchased the freehold of a property at 50 Salmon Street, Port Melbourne, which had a similar zoning and which already had a 50 per cent permit to operate go-carts in that area. I point out that Mr Morley had the support of the Port Melbourne council when he made his application but after hearing an appeal against the granting of the planning permit the Administrative Appeals Tribunal brought down a ruling in favour of the appellant.

To cut the matter short, the result of the decision was that Mr Morley has had to dismiss the remainder of his staff and is at present facing bankruptcy. If Mr Morley’s plans had been accepted he believes that he would have been employing up to 16 people.

I ask the minister to exercise his power under the Planning and Environment Act and to resolve this matter as quickly as possible so that Mr Morley can get on with the job of running the go-cart business that he previously ran so successfully and which has unfortunately been threatened by this action.

Responses

Mr JOHN (Minister for Community Services) — The honourable member for Williamstown read into Hansard a very moving and caring letter from one of her constituents. The government acknowledges her concerns and the concerns of her constituent. I emphasise that respite care provides a vital service to caring adults with disabled relatives. It enables families and other community volunteers to sustain their caring roles. Respite services are essentially preventive; they reduce the need for higher levels of care because often short-term breaks lead to long-term gains.

Budget funding for respite care has been maintained at existing levels; the disability program provides more than $10 million. I am aware that two consultative reports are circulating in the community. With the benefit of hindsight and knowing that in those kinds of documents the views of those using respite care are sometimes sought, sometimes you can end up alarming people about your intentions, especially when others in the community make mischief.

I assure the honourable member that I intend to maintain first-class respite services. There is no intention to diminish them. I am awaiting final advice from my department on the two consultative reports and a decision will be made in the next few weeks.

At present a small number of people are using the respite services that are funded through the program. It is estimated that fewer than 1500 people are using funded respite services — that is less than 26 per cent of adults with disabilities and carers who need short-term breaks.

Although the system has faults, the government wishes to fix them and expand the service to ensure equity of access and the maintenance of services currently provided.

I assure the honourable member that in the next few weeks the government will, with a great deal of care, make a final decision about respite services. I thank her for raising this important issue and encourage her to continue to keep me informed of the needs in her electorate and generally. The government is
Mr MACLELLAN (Minister for Planning) — The honourable member for Bellarine referred to a go-cart facility proposed by Mr Warren Morley. I have received correspondence from Mr Morley asking me to prepare a planning amendment and to clarify the opportunities available to him to allow him to operate an indoor go-cart facility at Port Melbourne.

Advice has been received from the City of Port Melbourne in support of Mr Morley’s proposal. The council considers the proposed use to be acceptable in that particular zone. The council has not commented on whether it favours my making a ministerial amendment or whether it wishes to make an amendment to achieve that result.

The issue was determined on the basis that the operation of an indoor go-cart facility was prohibited in that region, and carried some suggestion that the permit under which he operates a facility on the other side of the road, but in the same planning zone, would permit the operation. However, no action was taken by the Administrative Appeals Tribunal to cancel the permit for the other premises.

The conclusion reached by the AAT seems to be based on the fact that it was the sort of motor vehicle racing track prohibited in the general industrial zone and was not a place of assembly or another place requiring a permit from the City of Port Melbourne. That conclusion reached by the AAT finalised the matter as far as it was concerned, but it is open to me to undertake a ministerial amendment to clarify the situation.

Mr Morley has informed me that his business will not survive such a process, because much time would be needed to run the appropriate advertisements, to prepare a case and to consider any objections or submissions to the council’s amendments. I will consider whether I am prepared to make a ministerial amendment, and I will consider whether to consult the council. If so, I will decide whether to resolve the matter by an amendment, without advertising and without written submissions.

It would be an aggressive action for a minister to seek to overturn an AAT decision, even if it were curious. I am at a loss to understand why the honourable member for Albert Park, or any other person, would have made any comments about the success of a planning matter being in any way determined or influenced by a political allegiance of an honourable member. That is not the case and it certainly will not be the case while I am the minister.

All honourable members should feel free to raise issues with me on behalf of their constituents; opposition members should not feel that to do so would in any way lead me to reach a different conclusion on the merits of the matter than if a matter was raised from an honourable member on the other side of the house.

Comments like that are unhelpful and could lead members of the public to conclude that planning is the creature of the government as opposed to being the creature of Parliament. It is a matter for Parliament; it is a matter for the minister, and it is his or her duty and obligation to be fair minded, no matter from which source requests are made.

I will certainly ensure that Mr Morley is interviewed and that discussions take place about his request. I will carefully consider and determine whether a ministerial amendment is appropriate in the circumstances. After consultation with the local council, I will determine whether to proceed with the matter or whether it should be the subject of public comment.

It appears that the owners of the property next door, which is used as an office warehouse complex, raised the very point on which the AAT acted — that is, the owners of that property argued in an appeal to the AAT that the use of the property on the other side of the road was a prohibited use. That is what led the AAT to reach its conclusion. There is some contention from within the planning division of the Department of Planning and Development that it is not a prohibited use and that the AAT erred in coming to that decision. That can be tested in the Supreme Court if we all want to grow old enough to await the outcome of such a test. Mr Morley is unlikely to still be interested in go-carts by that time; he is more likely to be interested in some terminal illness! I do not think the planning system will be vastly improved by a Supreme Court action in respect of the interpretation of the matter and it may be better resolved on a site-specific basis by a ministerial amendment.

I will consider those sorts of questions and the general question of whether indoor entertainment venues which contain their noise and do not create a nuisance might be redefined so that these sorts of
commercial and industrial zones are the appropriate places for them. They are not welcome neighbours in a residential zone but I do not consider it realistic that a facility in the Port Melbourne area be banished to some remote rural area. I thank the honourable member for raising the matter; I will examine it to see whether I can determine it during the next two weeks.

Mr GUDE (Minister for Industry and Employment) — The honourable member for Thomastown raised a matter for the attention of the Minister for Public Transport with respect to the eastern suburb of Mulgrave. He seemed to get some pleasure pointing out the differences between his perception of the responses by the Minister for Public Transport and the Minister for Roads and Ports. His comments were self-serving and a waste of time. Nevertheless I shall pass the matter on to the Minister for Public Transport.

The honourable member for Mordialloc raised for the attention of the Minister responsible for Women’s Affairs the sexist approaches of the trade union movement. I shall pass that on to the minister.

The honourable member for Morwell raised the Munro Primary School. I believe there was some disturbance at the time. I believe he was referring to the need for negotiations with teachers at that school. I will pass that matter on to the Minister for Education.

The honourable member for Knox, in a typical efficient local member fashion, raised for the attention of the Minister for Roads and Ports the maintenance of roads. As any effective local member would do, he is directly approaching the minister to ginger the process along. I will pass on the matter to the minister.

The honourable member for Yan Yean raised a matter for the attention of the Minister for Natural Resources with respect to Sunbury ratepayers and a water rating scheme. I will pass that matter on to the minister.

The honourable member for Murray Valley raised a matter for my attention as I have the responsibility for mutual recognition in my portfolio. He pointed out in his commentary the advantages of mutual recognition, particularly for some border towns where there are common regimes in place across the various states. He pointed to the problem that exists with real estate subagents. I assure the honourable member that I am apprised of his concern and that further work is being done to ensure that we can achieve the goals and benefits of mutual recognition in a way that does not necessarily disrupt what is otherwise regarded as a highly efficient industry. He suggested that there may well be a need for consultation at ministerial level across Australia to achieve the outcome. I believe he is right in that regard.

The Leader of the Opposition also raised a matter for the Minister for Roads and Ports which showed local knowledge about the Rosebud Lifesaving Club and the effect that the erosion of sand is now having on the foundations of the club. As someone who has had an active interest in the lifesaving movement I can relate to his concerns. He was gracious enough to refer to the fact that the Minister for Roads and Ports had visited the area and was apprised of the position, but he questioned budget problems and whether they would prevent a quick solution being achieved. I will raise the matter with the minister, and I will support him in any attempts he makes to increase the budget allocation for this important work.

The honourable member for Monbulk raised a matter for the attention of the Minister of Agriculture regarding the meat industry and the inspectorial services. A campaign is currently being waged by the Public Sector Union as part of the Australian Quarantine and Inspection Service changes. It is a scare campaign that unfortunately is doing harm to what is otherwise a good industry. The campaign has been waged by a few union officials and does not reflect the views of people working in the meat industry, who see it as a strong, effective and efficient industry.

Changes in Victoria concern improvement of quality outcomes through total quality management programs and, as a general consequence of that, the securing of lower costs to consumers and the industry. The campaign does no credit to the members of the Public Sector Union who have recently sought to create public discontent. The honourable member referred particularly to a document that has been distributed. I have seen a copy of that document. If it is the best those people can do, I suggest that they resign now and let others in the community get on with their work.

The SPEAKER — Order! I will resume the chair at 10.00 a.m. tomorrow.

House adjourned 10.46 p.m.
The SPEAKER (Hon. J. E. Delzoppo) took the chair at 10.03 a.m. and read the prayer.

PERSONAL EXPLANATION

Mr ROPER (Coburg) — I wish to make a personal explanation relating to remarks made by the Minister for Public Transport during question time two days ago. The minister said that I had been unable to arrange the commercial development of railway stations and pointed, in his answer, to my chairing the infrastructure private investment group.

He was correct in saying that I did not develop the stations he mentioned but was wrong in implying that I had charge of the program. Indeed, the reason the matter was raised with the group, which involved three business representatives, was quite deliberate; it concerned the fact that that program and other programs were not proceeding adequately.

The lack of activity and the problems at Elsternwick were directed to the attention of the group, and I thank the minister for supplying me with a copy of the minutes of that meeting. I was certainly aware of the potential and I have discussed with the minister the ongoing problem of having people who are concerned with the running of trains also being concerned with property development — the two do not necessarily go together.

The Treasury officer responsible at the time confirmed my memory of events and, indeed, pointed out that it was officers of Treasury who wanted changes in the program. For instance, one of the sites was privately owned and was not available for sale or development in any case. The minister misunderstood the nature of the meeting minutes, and the fact that it was not going fast enough brought the program to the attention of Treasury.

Mr RICHARDSON (Forest Hill) — I know the honourable member for Springvale has no comprehension or interest in the standards and traditions of this place but the long established tradition of this place is that a member must speak from his or her place.

It may well be that the seat of the honourable member for Coburg has been changed. If not, he should speak from his place, which is in the second row. Another tradition of this place is that former ministers may speak from the corner of the table. Those cases illustrate that the honourable member for Coburg should not have spoken from the place he did a moment ago.

The SPEAKER — Order! The earlier rulings of Presiding Officers in this place provide that former ministers are entitled to speak from the table. The precedent does not mention the exact position at the table from which the member may speak. Therefore I do not uphold the point of order.

PETITION

The Clerk — I have received the following petition for presentation to Parliament:

Disability services

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled:

We the undersigned citizens of Victoria wish to point out to the house that the proposed direction of some disability services in this state are unacceptable.

We therefore request the house to consider the following points:

1. Disability services are created out of need and are not to be considered an optional extra governed by cost or politics. Human rights should be the basis of decisions and budgets must increase with need.

2. Quality facility-based respite care should be available to any family who feels it is appropriate to their circumstances irrespective of age or disability. Quality out-of-home care contributes to the preservation of the family unit and reduces the need for permanent accommodation.

3. A user-pays philosophy is unacceptable as it further disadvantages those already financially disadvantaged by disability. We ask that it should not be adopted.

4. Due to the high level of public concern regarding respite care we ask that no new policies be
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adopted without full public inquiry incorporating parent/carer representation on any decision-making bodies.

5. The trend towards share family care and in-home support is to remain purely optional as an alternative.

Your petitioners therefore pray that the house takes all necessary steps to ensure the minister amends the proposed policies.

And your petitioners, as in duty bound, will ever pray.

By Ms Garbutt (6797 signatures)

Laid on table.

GOVERNMENT MEDIA CONTRACTS

Mr THWAITES (Albert Park) — I desire to move by leave:

That this house condemns the government for:

1. Failing to release all documents relating to the awarding of multimillion dollar advertising contracts by the government.

2. Entering major advertising and media contracts without a proper tendering process.

3. Giving lucrative media contracts to DDB Needham and Leeds Media and Communications, long-term business associates of Mr Peter Bennett, the government's own director of media and communications.

4. Spending vast sums of money trying to prevent release of relevant documents under freedom of information.

5. Creating a climate of secrecy and favouritism in its business dealings.

Leave refused.

SMALL BUSINESS DEVELOPMENT CORPORATION (AMENDMENT) BILL

Second reading

Debate resumed from previous day; motion of Mr HEFFERNAN (Minister for Small Business).

The SPEAKER — Order! When the bill was last before the house the Minister for Small Business was closing the debate. He has 12 minutes remaining.

Mr HEFFERNAN (Minister for Small Business) — Last night when the debate was interrupted I was about to respond to three issues raised by the honourable member for Geelong North. The first concerned the additional resources that would be needed in country Victoria. I advised him that the Minister for Regional Development, the Honourable Roger Hallam, and I are working closely together to ensure that adequate resources are available for regional development.

The honourable member also asked what expertise would be available to service the agricultural industry, which is important to the state. At present there are two vacancies in Small Business Victoria, one in Gippsland and the other in Ballarat. Both positions have been advertised, and in considering the appointments we will have a golden opportunity to ensure that the successful people have knowledge of and expertise in agricultural developments in Victoria.

He also asked about the level of expertise available in other offices of the Department of Business and Employment throughout Victoria. The minister and I will be examining the expertise of regional development officers. We will ensure that there is adequate knowledge of agricultural interests in regional offices, especially with the recent $8 million allocation provided to set up that structure.

The honourable member for Geelong North also asked about the future of the Rural Enterprise Victoria (REV) scheme which has been in operation for some time. The Minister for Regional Development has assured me that he is examining the operations of REV and is considering whether it ought to continue as a joint venture with my office and the Office of Regional Development. Together we will ensure that there is no duplication of resources.

I assure the honourable member that with the close liaison between the Office of Regional Development and my office we will provide country Victoria with a much better service for small business. I thank the honourable member for Geelong North for his contribution.

Motion agreed to.

Read second time.

Passed remaining stages.
MINERAL RESOURCES DEVELOPMENT (FURTHER AMENDMENT) BILL

Debate resumed from 10 March; motion of Mr S. J. PLOWMAN (Minister for Energy and Minerals).

Mr HAMILTON (Morwell) — The opposition opposes the bill for reasons I will outline in some detail. The bill signifies a fundamental difference between the philosophy of the opposition and the government to the development of mineral resources. For some time the opposition has believed it is important to guard the interests of all players in the mining industry, yet this bill reduces the power and input of miners and exploration companies.

I am interested to hear the minister's response to the report of the Scrutiny of Acts and Regulations Committee which was published in the Alert Digest released earlier this week. In its report the committee raised some machinery matters and at paragraph 7.3 at page 10 this concern is expressed:

... that the open-ended commencement provision in respect of section 6 may breach section 4D(a)(v) of the Parliamentary Committees Act. The committee suggests that where such an open-ended commencement is inserted into a bill, the reasons for not limiting the period by which commencement must be made, should be set out in any accompanying explanatory memorandum.

The bill recognises that ongoing activities which are subject to licences and permits will be important to those companies and operators involved in them, and the committee has called on the minister to respond to its criticism. Will the minister explain why the time limit is not included in the explanatory memorandum?

The bill makes two major changes to the act. Firstly, it extends the exploration and mining licence process by transferring some minerals from the Extractive Industries Act to the Mineral Resources Development Act. The opposition does not oppose the transfer of those minerals but notes that it may result in the Extractive Industries Act becoming less important in the future. Perhaps one piece of properly constructed legislation could replace the Extractive Industries Act. Those minerals that have been transferred under new schedule 4 include bentonite, which is a special clay used for sealing water catchment areas. Another two minerals to be transferred include fine clay and kaolin, which are generally found on the surface. That raises a contradiction because previously the minerals covered by the Mineral Resources Development Act were usually found underground and those in the Extractive Industries Act were rocks found on the surface.

Another contradiction lies in the fact that there are differences in ownership for different minerals: extractive materials, that is quarry materials, are owned by the landowners themselves, whereas minerals are the property of the Crown. Those contradictions should be addressed, particularly as such minerals are being transferred to the new schedule.

Paragraph 7.5 of the committee’s report states:

The members were concerned that the inclusion of these substances and the fact they are found on the surface and not mined, will have the effect of expropriating certain substances lying on the surface to the Crown. The committee requested clarification of the effect of the schedule from the minister. A response has not been received at this point.

I hope the minister will reply to the committee’s comments.

Another mineral to be transferred is lignite, a mineral of which I have great knowledge given that I live on what is probably the largest lignite deposit in the world. Other minerals to be transferred include titanium, rare earth elements and platinoid group elements. They could be described as exotic minerals given that their value per unit of mass is extremely high compared to lignite. I am interested that peat is also to be included in the schedule. The other two minerals to be included are quartz crystals and zeolite, which are different from the clay minerals. Although there is some commonality between zeolite and the other minerals, because zeolite is important to Victoria’s geological history for its hydrothermal inclusion in volcanic rocks, it is not in the same class as the other minerals in the schedule. So why were those minerals chosen?

Students of geology know that the weathering of rock is one of the main sources of mineral deposits, and that is especially so with clay minerals. There will always be a relationship between clays and the weathering of rocks. They will often be found in similar deposits throughout the state. I assume — no doubt the Minister for Energy and Minerals will
correct me if I am wrong — that those minerals will have an increasing commercial value in the ceramics industry in particular, where exciting things are happening in the downstream processing of clay. Excellent opportunities will become available as new technologies are developed during the next decade.

The criticism I have relates to the second and perhaps the principal aspect of the bill, the further reduction in the controls and regulations governing mining and exploration. If an operator has a mining licence, he will be able to explore using that licence obviating the need to obtain an additional exploration licence. That bypasses the normal processes.

Page 22 of the 1992-93 annual report of the Department of Energy and Minerals contains a map setting out exploration licences in Victoria. Those licences cover a significant part of central Victoria, obviously relating to the exploration for mineral sands. The map also sets out no-go areas in national parks and designated reserves which, despite the rhetoric, cover relatively small areas. According to the map almost half of Victoria is covered by exploration licences — a far greater proportion than the no-go areas.

Mr Tanner — Is that a bad thing?

Mr HAMILTON — No, I say that just as a comment. It is not a bad thing at all. Page 5 of the report refers to the fact that decision-makers on the boards of major mining companies do not believe it is worth the effort to explore for minerals in Victoria given the maze of statutory, regulatory, administrative, planning and other obstacles that they face. They find it easier to spend their dollars elsewhere. The report then says:

The smaller miners trudged on begrudgingly, accepting the longest approvals time and lowest level of government facilitation anywhere in Australia.

That may or may not be true. The senior bureaucrat who wrote that may not have been unbiased, or he may not have had all the facts.

One of the reasons for the lack of mineral exploration and mining in Victoria is that it is more profitable to operate elsewhere. The Esso-BHP development in Bass Strait is by far our largest and most profitable mineral resource. The supposed regulatory and other problems did not stop those companies from developing that resource. The problems that have supposedly deterred companies from developing mining operations in Victoria are not one-dimensional.

Another reason for the lack of development is the uncertainty of commodity prices throughout the world and the level of technical development needed for the profitable processing of a number of mineral deposits in Victoria.

I note that the operator of the largest mineral processing plant in Victoria, the Alcoa company in Portland, imports its bauxite. Mining companies examine a range of issues prior to developing resources, not just whether a state or government encourages or discourages that development.

I take issue with the criticisms contained in the department’s report because they imply a criticism of previous governments. I remind honourable members that the act was promulgated in 1968. The attempts by various governments to encourage mining exploration have succeeded for a number of reasons — and they have not necessarily been hamstrung by excessive red tape.

This leads me to a fundamental philosophical issue. If the world were perfect, there would be no need for red tape. If you could rely on developers and companies to take account of all environmental, social and other issues that impact on their operations, there would be no need for government. One of the purposes of governments, whether conservative or progressive, is to enforce regulatory controls over the operations of enterprises. Governments are elected by the people; they are responsible to those who elect them. They have a direct responsibility to protect the interests of all, not just those of people who may have purposes other than those concerned with serving the public.

Mining companies, as is their right, regard the interests of their shareholders as paramount. That is not always compatible with a government’s aim of protecting the interests of landowners and others in the community.

Many mining companies have developed a bad reputation for destroying the environment. Mining has an impact on land-holders, including the Crown, and over the years many mining companies have not had good reputations for rehabilitating the environments in which they work. It is important that governments require miners and mining companies to lift their game.
The department’s report shows clearly that miners have a responsibility to the community and that the department itself requires them to be cognisant of the environmental effects of their operations. Miners must be cognisant of the need to rehabilitate sites after the mining process; and that is a real challenge. One has only to look at the impact of large mining operations in my area to realise that rehabilitation of the open-cut, brown-coal mining has presented tremendous and costly challenges to the now defunct State Electricity Commission of Victoria. One question that should be asked is: given the work that has already been done in the rehabilitation of Victoria’s open-cut mines, will the restructure of the electricity industry enable those rehabilitation efforts to continue? Ten years ago rehabilitation was not a high priority with the SEC. It was only in the past five years that the SEC put significant effort into the rehabilitation process to ensure that the impacts of its large mining operations were addressed.

The changes in the bill relate to planning and reinforce the government’s philosophy. Although the opposition may not agree, it accepts that philosophy which is designed to give miners and exploration companies a better go. The opposition believes it will give them almost open slather pretty much on the say-so of the minister. The opposition is concerned about that. It is also concerned that other important players such as local government and various community interest groups will be bypassed in the process.

The department’s report said that mining exploration now involves the use of the latest technology which makes little impact on the environment. But the mere fact that exploration is taking place has important community and environmental values. For example, why would a company explore if it did not intend to mine a successful result? It is just a logical consequence of the industry, and I understand that. However, the bill will allow the holder of a mining licence to explore without obtaining major approval or, more importantly, without ensuring that the proper processes are followed before that exploration is carried out. And that is a real concern.

Honourable members should be debating the same criticisms that were highlighted when the original bill — which this bill seeks to amend — was debated in October last year. At that time members of the opposition criticised the removal of a number of players from the consultative process. This bill extends the removal of those players and that is a fundamental reason why the opposition opposes it.

The new process places considerable responsibility on the minister, and I do not have a problem with that. Ministers come and ministers go; and some ministers go before their time! Minister’s sometimes resign or are otherwise removed from office; they either fail to satisfy the expectations of the community or, more importantly, the expectations of the cabinet. The bill places considerable responsibility in the hands of the minister whoever it may be. The minister is not even required to ensure that a process is followed. According to his wisdom — or lack of it — the minister may require that a licensee submit an environmental impact statement. It would be kind to refer to the wording in the bill as loose. Will it be up to the licensee to ascertain whether the minister is feeling good that morning or whether he has just finished his 10-kilometre jog because that may affect whether he requires an impact assessment or not? The wording in the bill is a loose and ill-defined way of explaining something important.

There is no doubt that the community is generally suspicious of mining companies. Because much of the publicity about mining companies is negative, it would be appropriate — and the community would feel more confident — if it knew that the minister required environmental impact assessments and made them public. If the opposition and the community knew those requirements had to be met and did not depend on the minister’s mood at the time, we would feel more confident. If the minister required a public assessment to be made the community could say to itself, ‘It is a reputable mining company with a reputable licensee; it will do the job’.

If the minister required a public and open process and everybody understood that, more confidence would be engendered not only in the minister but in the industry. That would be a far more appropriate approach.

The Victorian community is inexperienced and uneducated about what happens with mining. Since the goldmining era of the 1850s the only real mining that has taken place, apart from brown-coal mining in the Latrobe Valley, has been small operations in relatively isolated parts of the state.

Residents of the Pilbara region of Western Australia or the Whyalla region of South Australia would have a better appreciation of what happens with mining operations. Our lack of knowledge only adds to the suspicions and concerns of the community. The opposition believes the processes involving
exploration and mining should be open. Mining companies in other parts of Australia have demonstrated their care and responsibility for what goes on with their operations.

If the conservation movement has done nothing else it has made the mining industry one heck of a lot more sensitive to public opinion. That is an important part of the two-way process that occurs in a country such as Australia which, without doubt, is the best country in the world. Because of the importance of the mining industry to Australia’s economic development it has been good to see mining companies responding to public pressure and becoming sensitive to environmental issues, social welfare and worker occupational health and safety.

To build confidence in Victoria’s mining industry we need to specifically design a set of processes. We have examples of protests against all sorts of government and commercial activities. In some places in Victoria it is very difficult to put two houses on the one block. If you visit the eastern suburbs you will find many protests about a simple process like that. Protests will occur when local planning controls are withdrawn and taken over by government controls in the attempt to ensure cooperation and harmony. There is a vast difference between the government and the opposition on such matters.

Consultation annoys governments, ministers and bureaucrats because it tends to slow down the process. Invariably, however, when it takes place there is wider ownership of the process and greater support for a proposal because people understand it. Even though we may get rolled in the end, most of us do not mind so long as we have had an opportunity to have a say. If we have had an opportunity to win the argument, the decision is accepted and we go along with it. One of the characteristics of the Australian community is that we do not protest unless there has been a great injustice.

The bill derides the importance and status of local government. Exploration and mining will be carried out on private land where there is some local government control. The bill takes away the powers of local government to have an input into the planning processes. Since 1992 the government has reduced the importance of local government planning processes. That may be the fault of local councils, although I do not know of one council in Victoria that would admit that its planning processes were not good.

Regardless of whether local planning processes slowed down development, consolidation is important for new development. None of us handle change well. Changes to local government power, control and input into the planning processes will have an effect and councils will lose their traditional power. Those of us who have been involved in local government understand that. Since the 1800s local government has been jealous of the control of land within its boundaries.

The bill takes away some of that local government input in controlling exploration, and other groups will also be upset by the changes. The minister shakes his head in disagreement, but that is how I understand it. If I am wrong, the minister should correct me. The holder of a mining licence can now carry on exploration in an area without having to seek planning permits.

There are two parts to the bill, one being the additional ability of a mining operator, if he or she holds a mining licence, to explore without having to go through the planning permit process.

Mr S. J. Plowman interjected.

Mr HAMILTON — There are difficulties and that is why we have a judicial system. Certain words in English tend to have different meanings for different people.

In the second-reading speech, the minister states:

Section 23 of the Mineral Resources Development (Amendment) Act 1993 overrides planning restrictions in relation to exploration and it is the intent of this legislation that it override those restrictions for all exploration, whether carried out under an exploration licence or a mining licence.

If there is no extension of the current situation there would be no need for that clause in the bill. The second-reading speech continues:

Clause 6 of the bill ensures that the intent of the provision in the principal act is clarified to ensure that it applies to all exploration as originally intended.

The bill makes two assumptions: firstly, that exploration can be carried out without interfering with local government planning controls or other bodies or interests in the area, which will reduce the
ability to have an input; and secondly, that there is no point in exploration if the mining companies do not have the confidence to explore because they will not have the ability to mine what they have found. Having explored and found a vital mineral deposit, one must ensure that it can be mined otherwise the exercise is ridiculous.

Mining companies are not stupid, they are well-organised, large companies which have always had an influential political lobby that they have exercised effectively. The bill allows the mining companies to explore anywhere they like without controls because today exploration technology does not interfere with anybody. Having explored an area they can go ahead and confidently expect to mine. If that is not an accurate interpretation, I should like the minister to respond.

The bill will allow more mineral resource development in the state at the expense of the input of others who may or may not be affected, be they neighbouring land-holders, local government, the Crown so far as designated or non-designated areas are concerned, and wilderness societies and conservation groups. They now have no opportunity under the planning controls to have an input on mining licence applications for additional exploration. That is my interpretation and reading of the bill.

Mr Tanner — No wonder mining never got off the ground under you people!

Mr HAMILTON — That interjection is appreciated. It highlights the fundamental difference between the parties. If there were no difference between them there would be no point in having two sides of the house. Total agreement would make things very boring, and debate can be boring enough as it is! It is wonderful to be able to oppose a bill.

There is no need for the government to go overboard in its support of mineral resources and mining development. Mining has its problems and we need to make sure it is supported by the community. That can be done only by a consultative and educative program, and the lack of public accountability highlights another difference between the parties. Consultation is also an important part of the legislation’s intent. The bill clarifies an uncertainty in the right of exploration. That was the intent of the last bill, but it was unclear. This bill clarifies the intent of the last bill.

Mr S. J. Plowman — That was certainly the intent.

Mr HAMILTON — We objected to the last bill, and we object to this bill for the same reasons. The two measures are intimately related. The purpose of this bill is to clarify an earlier bill. If that is not the case the minister has failed miserably to explain the intent of this bill. If there is a lack of understanding we should consider what happened to communication via the written word and the briefing the minister arranged for us. I thank the minister for the briefing, which I and the Honourable David White attended, and acknowledge the cooperation of his officers. Such briefings are an important part of the parliamentary process, and we acknowledge the minister’s goodwill.

He may not like our objection to what he thinks is a logical matter, and that is his right, but it would be pointless for me to agree with everything he said. I disagree with most of the things he says about my part of the world, but we will save that for another day.

Mr S. J. Plowman interjected.

Mr HAMILTON — The minister says we should not talk about the last bill, but I note with pleasure that the Chair has not said I must not talk about the last bill when discussing the intent of this bill. After all, that is what the debate is about. We have a responsibility to ensure that people’s concerns about mining and exploration are put before Parliament for consideration. If in its consideration of people’s interests the government wants to say it believes it is better to give the mining and exploration companies open slather, and perhaps those two words should be in inverted commas — —

Mr S. J. Plowman interjected.

Mr HAMILTON — I am pleased that the minister has reacted to that term. The government should be concerned about having controls on the industry. The opposition does not believe it is good enough for the minister to say, ‘Trust me, I have the interests of the people at heart’. Whether he acknowledges that it is irrelevant to me because it does not ensure that the process is open to the public and subject to planning controls and input from interest groups. Exploration companies may say, ‘Rather than taking large samples, if our exploration used high technology that did not impact on your land, what would happen if we decided to mine there?’ That creates a large problem for the development of the mining industry in Victoria.
Whatever its majority in the house, no government can ride roughshod over community input. The community has its input every four years, and we expect the legislation that covers and encourages mining to reflect the fact that it is a cooperative exercise rather than one that relies on the mood of the minister. This minister is of good nature; he is a happy soul. However, ministers change and we may end up with someone who is neither good-natured nor worried about the proper processes and controls in the mining industry; someone who says, ‘I am not going to worry about requiring exploration companies to do this or that’. That is the criticism the opposition has. It does not want to hear the words, ‘Trust us, we will generate all this wealth in Victoria’.

That is all very well if one assumes that mining companies will operate in a completely responsible manner. These days that is not a bad assumption. I give the mining industry credit for realising it must do things in a better way. The minister may shake his head about the process, but that is what is happening. It was the intent of the last bill and it has been clarified in this bill, and whether or not the minister accepts it the bill is withdrawing community consultation and the rights of people to be involved in the process from the exploration stage. That is of concern, and it is why the opposition objects to the bill. It is the opposition’s intent to follow that line.

The bill is relatively small. Although I do not intend to debate it for hours, before I sit down I must say that, present company excluded, comments by government speakers yesterday were unacceptable, arrogant and disgusting. That debate illustrated clearly their patronising and insulting assumption that opposition members have not been involved in the debate on small business. That is not reinforced by what has taken place in the house.

If members have different philosophies, so be it. Those differences have been evident in debate on this bill and on the Mineral Resources Development Act. I accept that, but I will not accept that a person must be a miner before he can be a minerals and energy minister! Not one person on the other side could argue that to its logical conclusion. Otherwise how could they be members of Parliament, having not had previous experience in those positions?

The debate on the differences in philosophy was insulting, not intellectual. I understand the minister’s problem, but differences should be argued at an intellectual and not personal level. They should be argued logically and sensibly. Yesterday’s debate did not do the house credit, and I hope behaviour such as that does not continue in today’s debate. I have a great respect for both the minister’s position and his integrity.

Mr TANNER (Caulfield) — I take up the last comments of the honourable member for Morwell. I advise him that although he is respected on both sides of the house for being himself, the views he put forward today exemplify perfectly why economic stagnation came to Victoria in the late 1980s and early 1990s.

The honourable member for Morwell spoke for 1 hour, wasting Parliament’s time. He revisited last October’s debate on the mining industry and did not speak on the bill to any great extent. He made assumptions and assertions that bore no resemblance to the truth.

Ms Marple interjected.

Mr TANNER — The honourable member for Altona can throw in as many comments as she wishes. I hope that she speaks later in the debate and that her contribution is a little better than the contributions made by opposition members last October. The best illustration of the extent to which the debate then degenerated was the contribution of the honourable member for Albert Park, who complained about planning controls over freeway development in Los Angeles!

The opposition does not want to see a mining industry develop in Victoria. It wants to put every obstruction possible in the way of people who want to develop that industry. The honourable member for Morwell spoke for an hour on what is a minor bill, roaming all over the place and touching base only on the odd occasion. He complained that third parties will not be able to get in on the act. On behalf of the opposition he complained that it is inadequate that only the owners of the land and those who propose to explore or mine it are involved in the process. He wants third parties to be able to move into the process and slow it down.

It is a pity that the Labor Party has learnt nothing from its 10 years in government, during which it slowly strangled, bit by bit and year by year, the economic development of the state. As a result the Victorian mining industry has almost ceased operations. In the closing minutes of his contribution, the honourable member for Morwell said one of the weaknesses of the government’s case is the assumption that the mining industry will
immediately start exploring and developing. The government knows the reality is that the Australian mining industry is now looking for opportunities all over the world.

Last year I had the privilege, on behalf of Parliament, to meet a group of senators from the Argentinian Parliament. They were in our city and in our country meeting major mining company representatives, trying to entice them to Argentina to mine in the Andes.

The honourable member says the government is assuming that the mining industry will operate in this state. The government is not assuming that at all. It realises that unless the obstructionism that has been built in at several levels is removed, whether that affects applications to explore or mine, major Australian companies will not come here. Opposition members do not realise that companies have only a certain amount of money put aside for exploration, so they will go to those places where they are likely to get the greatest benefit. They did not come to Victoria during the 10 years of Labor government because they knew they would not be able to develop what they found. The former government introduced several tiers of obstruction, preventing mining development from taking place.

Mr Hamilton interjected.

The ACTING SPEAKER (Mr Cooper) — Order! The honourable member for Morwell was not subjected to the barrage of interjections to which he is subjecting the honourable member for Caulfield. I ask him to restrain himself.

Mr TANNER — The honourable member for Morwell attempted to fool the Parliament and public by saying the legislation does not contain safeguards. Let us consider some of the safeguards, even though they are not mentioned in the bill. Honourable members have listened for an hour to the honourable member for Morwell wander all over the place, so I trust that you, Mr Acting Speaker, will give me the same latitude and let me wander all over the place, too.

The ACTING SPEAKER — Order! I advise the honourable member for Caulfield that he will not be allowed the same latitude.

Mr TANNER — I will give a summary of the exploration situation in Victoria. According to a document supplied by the Victorian Chamber of Mines, to obtain the grant of an exploration licence, an applicant must:

1. lodge an application with the Department of Energy and Minerals ... detailing the area sought and work contemplated;
2. advertise the application, at which point landowners/residents have the right to object to the granting of the licence;
3. if the licence is granted, work cannot commence until the licence-holder has —
   (a) negotiated a compensation agreement with the landowner(s);
   (b) obtained any other approvals which may be necessary eg EPA, Rural Water Commission etc. and satisfied other relevant legislation eg Aboriginal Heritage etc.;
   (c) paid a rehabilitation bond as set by DEM;
   (d) a public liability insurance;
   (e) notified private landowner(s) of intention to work.

Those requirements must be satisfied just for exploration to take place. If a decision to mine is made, to secure a mining licence the prospective miner must:

1. lodge an application for a mining licence detailing area sought and work contemplated;
2. advertise the application, at which point the landowner(s)/resident(s) have the right to object;
3. If the mining licence is granted the licence holder must:
   (a) obtain the consent of private landholder to mark out or obtain an authority to enter;
   (b) submit a work plan for consideration by relevant authorities including DEM, EPA, RWC, DCNR etc.;
   (c) negotiate a compensation agreement with the relevant private landowner(s);
   (d) obtain a planning permit if required under the local planning scheme. (Depending upon the nature of the work proposed this could necessitate the preparation of an EES and a subsequent panel hearing);
   (e) pay a rehabilitation bond as set down by DEM in consultation with the local council and landowner(s);
   (f) hold a public liability insurance;
   (g) notify private landowner(s) of intention to work.
These are the safeguards that have been set down and are satisfactory to the landowners. Today we did not hear the honourable member for Morwell complaining on behalf of the landowner; we heard him complaining on behalf of third parties who are not involved in the process.

The government is amending section 43 of the 1990 act which introduced the safeguards put in by the government of which the honourable member for Morwell was a member. They were good enough safeguards in 1990 but are not good enough in 1994 under a different government. That is why I find it difficult to believe that members of the opposition really want to see a mining industry developed in this state; the reality is they do not want it to develop. Whenever opposition members have an opportunity to introduce obstructionism or to prevent some obstruction being removed, up they get and, as occurred for an hour this morning, waste the Parliament's time.

The honourable member for Morwell actually mentioned the bill in his contribution for a few minutes, and said that the government was introducing a new schedule to the bill to ensure that there will not be any confusion in the future about which minerals will come under the Mineral Resources Development Act and which will come under the Extractive Industries Act.

The government has inserted schedule 4 of the bill, which defines the mineral resources that will come under the act, which are: bentonite, fine clay, kaolin, lignite, minerals in alluvial form including those of titanium, zirconium, rare earth elements and platinoid group elements, peat, quartz crystals and zeolite.

Mr Tanner — Why didn't the opposition specify that it opposed clause 6? Opposition speakers have got up here today to oppose the bill just for the bloody-mindedness of opposing it! They have not used discernment and said, 'We agree with that and we will pass it; we disagree with that and will oppose it' — however stupid the reason may be. No! Opposition speakers have just said, 'We oppose it'. That shows the level of the intelligence behind the opposition's thinking on the bill.

Mr Phillips interjected.

Mr Tanner — That is correct; the honourable member for Eltham has struck the point. The opposition is beholden to interests more powerful than the public's interest, which is in every section of this community to try and recover from the economic damage —

The Acting Speaker (Mr Cooper) — Order! The honourable member for Pascoe Vale does not escape my attention by turning his back to me and interjecting. I ask him to remain quiet.

Mr Tanner — The reality is that the government of Victoria has set out on a program to revitalise the community's economic interests: to set a scene so that future generations of Victorians will actually have a community that is worth living in and one that they are proud of.

For 10 years Victoria stagnated economically under the ever-throttling obstructionism of the previous government. That government has now been removed from office after experiencing the biggest defeat ever handed out to a government in the history of Victoria and yet 15 months or more later it still has not learnt why it lost.

Members of the former government came into the house today and wasted an hour of the Parliament's time by opposing a machinery measure in a bill to improve the economic prospects of the mining industry. It is a bill that will keep in place the safeguards that the former government introduced and that the present government improved upon last October in the community's interest. I call upon future opposition speakers in the debate today to rise above the level that was shown by the honourable member for Albert Park last October when he talked about freeway development in Los Angeles.

Mr Thomson (Pascoe Vale) — Let me make it quite clear that the opposition does not have any
objection to the provisions of the bill which relate to the definition of 'mineral', although because of the way the bill has been introduced and the very limited time allowed to consider it we have not had as much time as we might have had to consider these matters and to have broader community consultation. Nevertheless — —

Honourable members interjecting.

Mr THOMSON — Yes, and we would go well if we asked for more time, wouldn’t we? Nevertheless, on face value the provisions in relation to the definition of ‘mineral’ are uncontroversial and are not opposed by us.

The second part of the bill refers to section 23 of the Mineral Resources Development (Amendment) Act 1993, which has been referred to, that overrides planning restrictions in relation to exploration. That is an essential part of the bill and we are opposed to that part just as we were opposed to the provisions that were introduced last year, so the opposition will certainly vote against the bill.

If the honourable member for Caulfield wanted opposition speakers to engage in labyrinthine parliamentary manoeuvres to make that distinction clearer, we can do that. Our position is not one of opposition to the provisions regarding the definition of ‘mineral’, but of opposition to the provisions that take away the rights of ordinary landowners and third parties seeking planning permits for exploration. That is the position opposition members took last year and it is the position we will take this year.

If government members who support the bill, like the honourable member for Eltham — and I wonder what his constituents would think about that — expect the opposition to support it too they are kidding themselves. The opposition would certainly not indicate that it has no opposition to the bill and allow the government to go out into the community and say, ‘The opposition supported the bill; it was a bipartisan measure’. It is not a bipartisan measure. We opposed it last year and we will oppose it this year.

The reason the government has come back to Parliament with a further amendment to the bill is that it contained a drafting flaw. There is a question as to whether this results in a widening of the bill or not, but certainly my understanding, when I was the opposition spokesman in this area last year, was that the intent of the original legislation was to override planning restrictions on exploration. That was the basis of the debate and the basis upon which the opposition opposed that bill. There may have been a drafting flaw in the original legislation and that is why the government has come back to clarify the intent of the provision.

The government is of course entitled to come back to clarify the section and to make it mean what it understood it to mean. Equally, however, the opposition is entitled to say that this is not a provision it supports, and it is not going to support it in the house today.

Legislation ought to be the subject of broad community scrutiny and contribution, but unhappily this provision and the issue regarding planning restrictions on exploration come from a lack of genuine consultation with the community, and the provision does not enjoy broad community support.

The bill enjoys the support of certain mining interests, including the Victorian Chamber of Mines, the Prospectors and Miners Association of Victoria and other groups. However, conservation groups such as the Victorian National Parks Association and Victorian field naturalist clubs do not support it. The Municipal Association of Victoria is concerned about the overriding of exploration planning controls; in short, the bill is not supported by local government.

The Victorian Farmers Federation also does not support the legislation. I am surprised that the VFF does not have better access to the government. Its views about the interests of adjoining landowners and the difficulties they may face because of exploration being allowed without the need for miners to obtain planning permits have not been adequately addressed in the legislation. It could be said that the VFF has access to the minister, but the decisions of ministers are made behind closed doors. A third party or members of the public will have no right to object and will be denied access to an appeal tribunal. Jennie Holmes from the mining subcommittee of the VFF has been most vocal in her subcommittee’s objections to the provision under which planning permits will not be required before exploration commences.

The Chamber of Mines and its members say exploration can be carried out using modern technology and scientific methods that will not harm the environment. I accept that in appropriate circumstances modern technology can allow exploration to be carried out without harming the
environment — but will that be done? An appropriate regime of government monitoring of mining practices must be put in place; the community must be consulted and be reassured that the safeguards are applicable. Otherwise, mining companies will not take adequate care and will not act as responsibly as they would if controls were in place.

Problems will arise with different classes of miners and mining companies. Some of the larger and more reputable mining companies like CRA Ltd, Western Mining Corporation Holdings Ltd and BHP use sophisticated mining techniques and are conscious of their environmental responsibilities. However fly-by-nighters will not be required to obtain exploration permits and will often not attempt to rehabilitate explored land — particularly if they happen to go bust. They can damage the land through exploration without actually mining it. Appropriate controls must be exercised over that class of miner.

One such control is a planning-permit process that allows third parties — environment groups, neighbours and the like — to appeal to a tribunal and express concern about the exploration or mining activities undertaken by certain companies.

Mr S. J. Plowman interjected.

Mr THOMSON — Yes, but under the legislation that is not required for exploration. That could be a source of damage.

The absence of the requirement for planning permits means that local government will be taken out of the picture and will not have a say. The opposition disagrees with that provision. Although exploration can be conducted with minimal environmental impact, a framework must be established to ensure that that occurs. The legislation does not go in that direction; nor does it pay adequate regard to the needs of landowners and adjoining land-holders. That gives rise to the possibility of land degradation caused by environmentally insensitive mining.

When I was the opposition spokesman on energy and minerals certain groups directed my attention to examples of unsatisfactory activities. I dare say the minister is aware of the unsatisfactory mining at Avoca. It was suggested to me that the government had paid for the rehabilitation of that land. The government must not be forced to foot the bill!

Mr S. J. Plowman interjected.

Mr THOMSON — Mining activities that cause environmental degradation should be of concern to everyone. It is not appropriate to say that we should loosen the controls and allow exploration without the need for planning permits, which is what the bill aims to achieve.

Conservation groups have expressed particular concern about the potential impact of mineral exploration on box and ironbark forests. In recent years those groups have taken a keener interest in the fate of Victoria’s northern slopes and plains, which happens to be where exploration activities are most likely to occur. They are concerned that the disturbance associated with any exploration may encourage the invasion of native forests by weeds. They have listed various orchid and bird species that need box and ironbark forests for their survival.

The Victorian National Parks Association says that about 85 per cent of Victoria’s box and ironbark woodlands has been cleared. The association’s members are working hard at protecting the remaining 15 per cent. They are concerned about the direction of government changes to mining practices.

Mr A. F. Plowman interjected.

Mr THOMSON — As I said earlier, I acknowledge that exploration can be carried out without causing significant environmental damage. But it is important that mechanisms are in place to ensure damage such as that is not caused and, in particular, that areas of box and ironbark are not damaged by exploration.

Exploration will occur without miners having to obtain planning permits; therefore, many types of land are open to exploration. When I heard the honourable member for Caulfield talk about obstructionism I thought, ‘I hope we never discover gold on his property, because if we do, he may not have the same view about what constitutes obstructionism’!

Mr S. J. Plowman interjected.

Mr THOMSON — It may be important — I am unaware of the extent of his land-holdings! However, many parcels of land will potentially be subject to mining exploration without the need for planning permits.

Mr McArthur interjected.
The ACTING SPEAKER (Mr Cooper) — Order! I do not think the honourable member for Monbulk's question will be answered — perhaps he should desist from asking it.

Mr THOMSON — Private and public land will potentially be subject to exploration. The minister can exempt certain areas of land from exploration or mining — in the same way that he acted in relation to the casino development. The Crown consortium said, 'We want an exemption from any risk of exploration on that property'.

Mr S. J. Plowman interjected.

Mr THOMSON — This government has done much for the casino consortium, and I daresay that honourable members will hear more about that in due course. However it raises the interesting possibility of private landowners saying to the minister that they want guarantees that their land will not be subject to mineral exploration. That is an unsatisfactory process and it would be better for those matters to be determined independently through the planning permit process.

During my term as shadow minister a particular region was drawn to my attention. I refer to the golden triangle. Naturally that is an area where this issue was likely to arise because it has been explored and there is a potential for gold mining. However, I draw the attention of the house to the attitude of the City of Maryborough to planning permits and the like:

Over the past four years none of the mining ventures operating in this district ... have completed their projects without leaving bad debts in the community. In fact we believe over $2 million is owing to creditors, many of which are businesses based in this community.

They said that not only would the rural community be forced to sacrifice parts of its unique bushland greenbelt but also that the proposed legislation could actually contribute to financial hardship among local businesses. The City of Maryborough said that it is not seeking to totally preclude the mining industry from this district, but it is striving to have controls which will protect the community from irresponsible and non-viable mining operations.

It says:

The proposed legislation will allow unviable projects to commence operation, run up large debts and cause environmental damage without proper evaluations beforehand. They are actually — —

Mr S. J. Plowman interjected.

Mr THOMSON — Yes; it is referring to the previous bill, but the position the council takes involves local government's ability to control exploration and mining activities via the planning permit process. In that case, because of the — —

A government member interjected.

Mr THOMSON — Well, if it is already passed, why are you back here? The matter before the house is the issuing of planning permits in relation to exploration activities. The City of Maryborough raised the problem of shonky operators. I have expressed my concern to the house about this problem, and once again I make the distinction between shonky operators and companies like the CRA Ltd, BHP, Western Mining Corporation and so on.

I am concerned about the white shoe brigade interested in paper activity based on owning tenements or exploration rights. I am concerned that companies will seek to sell shares and draw in capital by saying that they own exploration rights and tenements and that people should invest in them. The end result will be that investors will be ripped off.

I have previously raised the matter with the minister on behalf of the Shire of Bet Bet, which drew it to my attention. The proposed legislation and the direction the government has taken may promote the problem. One thing that distinguishes the opposition from the government is that the opposition has a concept of public interest; it is interested in the views of an array of community groups and people with legitimate interests in these sorts of issues. The government is interested only in individual interests.

It is often difficult to determine what constitutes public interest. The honourable member for Caulfield argued that the provisions contained in the bill will promote public interest. The best way of determining public interest is through an open and consultative process involving independent panels; it cannot be done by decisions made by ministerial fiat. That is why the removal of the planning permit provision from the bill is a retrograde step.
The opposition is concerned that the requirements for public notice and exhibition, panel hearings and so on have disappeared as a result of steps the government has taken. Problems will arise because adequate regard will not be given to the needs of the farming community, local government and conservation groups. It does not represent a step forward.

A claim was made that adequate consultation had taken place regarding land-use issues, yet the opposition has had a procession of groups coming to it saying that they have not had the opportunity of having their say and that the government has taken no notice of them. Ultimately greater protection will be necessary.

The opposition does not intend to oppose those sections of the bill relating to the definition of minerals, transitional provisions and the like, but the exploration issue is important for the whole community, and the opposition does not support the steps the government is taking.

Mr McArthur (Monbulk) — I will restrict most of my comments on this bill to the provision the opposition finds contentious — that is, clause 6. However I will first rebut some of the specious comments made by opposition members. I understand that the honourable member for Pascoe Vale is a former university medal winner, so he should understand what specious means, and he is in a good position to recognise it when he contributes in that way to the debate.

During his contribution, the honourable member said that the government has paid for rehabilitation works at Avoca and he spoke of past mining disasters, accusing the government of sponsoring all sorts of fly-by-night operators. I point out that that has happened regardless of the party in power and regardless of the rules, and it certainly happened during the Labor Party’s 10 years in government.

I am advised that the honourable member’s allegation that the government has paid for some of the rehabilitation work at Avoca is completely incorrect. The licensees are bound to provide bond money for rehabilitation work; the bond money has been used in that instance and the rehabilitation work is proceeding satisfactorily. Perhaps the honourable member for Pascoe Vale should check his facts before he spouts that sort of nonsense which is designed to deliberately inflame the community and scare people.

I am at a loss to understand why the opposition is opposing the bill. So far honourable members have heard that it is not objecting to the idea of schedule 4 being expanded to include a new set of minerals. The opposition to the bill seems to hang on clause 6.

Clause 6 is a technical amendment; it simply removes an existing or potential ambiguity in the principal act amended last year. It does not in any way increase or reduce the rights of any individual or group of individuals in the community. It amends section 43 of the principal act. This clause gives as-of-right exemptions to the holders of existing mining licences.

The Mineral Resources Act 1990 was introduced by the then Minister for Industry and Economic Planning, the Honourable David White in another place. It contained section 43 which was amended by the then opposition on the motion of the Honourable James Guest in another place, with the agreement of the then government and the then minister. However, Mr White now seems to be pulling the strings of opposition members in this place because they are opposing the bill for no good reason. Section 43 was amended to allow the holders of existing mining licences to explore within the area covered by those licences — not in any other areas — without the necessity of obtaining a planning permit.

Those honourable members who have any interest in mining in this state, and its potential to create jobs and wealth, know that those who operate mining licences must submit a work plan for approval. The work plan details all the work that is to be carried out in the licensed area. The holders of licences who wish to vary the work they are carrying out or to carry out any new work must amend their work plans. The department has an inspectorate to ensure that the provisions of work plans submitted by licence holders are complied with. There is no need for holders of mining licences to undergo unnecessary bureaucratic red tape and expose themselves to frivolous third-party objections in order to carry out low level exploration in an area for which they already hold mining and exploration licences. For the opposition to suggest this is an extension of rights that will lead to wholesale rape and pillage of the environment is absolute claptrap. I look forward to the contribution of the honourable member for Altona so that she can explain how clause 6 amends section 43 of the act in such a way that it will lead to wholesale exploration outside existing mining licence areas.
Clause 6 does not change the existing provisions regarding exploration outside mining licence areas in any way; all it does is amend section 43 of the principal act by substituting for the words 'a licensee' the words 'the holder of an exploration licence or mining licence'.

The principal act makes clear that a person who holds an existing exploration licence or mining licence is entitled to explore within the boundaries of that licence area without going through the planning process yet again. It should be borne in mind that that can be done only within the confines and requirements laid down in the work plan.

It surprises me that the opposition found this objectionable. I will be interested to hear how this extends rights to any group or individual, or how it diminishes the right of any group or individual. I understand the department has received no objection to this proposal from any significant industry or community group. I have received no comment from the green groups in my electorate to say that this will lead to the wholesale rape and pillaging of the Monbulk area. It will not affect people —

Mr Seitz — Do they know?

Mr McARTHUR — Yes, they know. It will not affect the people in the Monbulk area at all. The only people who have any interest in this are those who hold existing exploration and mining licences, and the only people who could possibly object to this clarification are those who make their living from and are interested in preventing wealth and job creation. They are the people who bind up the community in obstructive processes — the lawyers, who would endlessly take action through the Administrative Appeals Tribunal in order to obstruct the creation of wealth and jobs.

Mr Hamilton interjected.

Mr McARTHUR — The honourable member for Morwell should bear in mind that his area has a reasonable history of mining and exploration. One or two jobs in his area are dependent upon the ability of someone to dig something out of the ground. I am surprised that he objects to a company being able to explore within the bounds of its licence area. I will be interested to hear how he is met when he returns to his electorate. I see he has ducked out of the chamber — I wonder how he will explain his attitude to the good people of Morwell.

It should be kept in mind that when the Mineral Resources Act was introduced in 1990 the then minister, David White, in his second-reading speech said that one major provision of the bill was to reduce the types of licences for exploration and mining to two: exploration licences and mining licences. That makes good sense, and a proliferation of permits and licences will be removed. The intention was to have a mining licence as the pre- eminent type of licence. If the act continued with the existing or potential ambiguities we would face the absurd situation of holders of mining licences having to seek exploration licences to explore their own mining leases — that is, seeking a lower grade of licence to explore in an area where a pre-eminent grade of licence is held. That is nonsense.

I have mentioned the work plans. Members of the opposition who have an interest in the industry will be aware of the existence of work plans. Holders of licences must operate under the conditions laid down in their work plans and they can do nothing other than the work stipulated. Departmental inspectors oversee the operations of the licence-holders to ensure that they comply with the conditions set out in the work plans. If the holders of exploration licences wish to vary their activities they must seek variations of their work plans. The community interest is protected in this area. It is nonsense to suggest otherwise. However, the opposition would have us pander to those who obstruct initiative. It is time that we acted in the interest of the whole community by fostering initiative, investment and wealth creation rather than putting up absurd and nonsensical barriers to job and wealth creation.

Some ridiculous scaremongering took place during the second-reading debate. Opposition members talked about invasion of privacy with rabid miners and explorers laying waste to public land in certain areas. I point out to the opposition that before entering private land, any mining company or individual holder of a licence must have an agreement signed by the owner of the land covering compensation and assessment of the effect of any damage to the private land-holder's interest or land as a result of exploration or mining. Those provisions in the principal act are not amended or diminished in any way by the bill, and it is nonsense for the opposition to suggest they are. Yet opposition members scare the pants off people by suggesting that when this minor and technical amendment bill goes through, suddenly the front paddock will be swarming with people digging up crops or scaring dairy cows.
Safeguards already exist in the principal act. They operate in the best interests of both the community and existing land-holders who may or may not have minerals under their land. It is also recognised that the minerals under the land are the property of the Crown. I do not imagine the opposition would dare to suggest that situation should be altered. Perhaps the honourable member for Altona will clarify that.

As the honourable member for Caulfield said, the opposition to the bill is mindless and a waste of time. It serves no purpose. The bill simply clarifies amendments to the principal act to remove existing ambiguities. It does not alter existing provisions in any way. It does not add to or detract from the rights of individuals or groups. It should be supported by all honourable members who are concerned with the interests of the whole community and not simply with partisan nonsense and obstruction. I support the bill.

Ms MARPLE (Altona) — Much has been said by government members questioning whether opposition members have a right to speak on the bill. I point out that that is exactly what we are here for, to raise objections and speak on behalf of people who may question proposed legislation — voters who are interested in their state, including miners, conservationists, people who work with their hands, people who work with their minds and members of Parliament.

All honourable members are elected and have a right to speak on legislation. I am taking time to speak on the bill because it is important. Government members have said in this and other debates that mining will help create jobs and wealth. However, the government may be getting a bit carried away if it believes that open slather for mining will bring jobs and wealth. To date, it has not done so and it has created some problems. One of the concerns is that the bill had to be introduced to reinforce the existing legislation.

Mr S. J. Plowman interjected.

Ms MARPLE — I hear the minister saying by interjection that that was a throwaway line, but the legislation introduced last year, which is being clarified by this bill, raised concerns about what can happen without planning controls. That is why people like land-holders, the Victorian Farmers Federation, local government bodies and the dreaded conservationists are concerned.

Conservationists are people; they are voters who are interested in jobs and wealth for Victoria. They are also interested in creating the sort of work that will ensure that Victoria remains a state of great natural beauty. No-one on this side of the house would deny that mining is an important and integral part of everybody’s life. The harnessing and utilisation of natural resources affects everything we do and assists us to maintain our quality of life. The opposition requests that in gaining those natural resources we note all the natural resources and ensure that reclamation is carried out so that we do not lose our flora and fauna. We must ensure that exploration and mining are carried out with care.

The government is sincere in its encouragement of mining. It believes that cutting away the red tape and regulations will achieve what it wants to achieve. The government trusts the mining companies. Although some larger companies have shown they are trustworthy and take into account the environment, there are also fly-by-nighters who use the land and incur debts in rural areas that affect the small business people whom government members are keen to support. Debts totalling more than $2 million were incurred in the Maryborough area. Does it really help small business in rural areas to open the door so that this sort of thing can continue?

Although I understand that the government’s intention in introducing this and other bills is to assist the mining industry, it should also take into account the views expressed in the house today by opposition members and on other occasions by groups outside Parliament. It is a poor state of affairs when government members simply ridicule the opposition by saying that it should take this all in good faith and just say it is okay. That is not what the opposition is here for.

One of the main areas of concern is open consultation. When the honourable member for Monbulk said that cutting back regulations and allowing mining to go ahead would mean that everyone would benefit, he was also saying that not all people have a right to suggest that the government should reconsider the legislation.

Although I understand that the government’s intention in introducing this and other bills is to assist the mining industry, it should also take into account the views expressed in the house today by opposition members and on other occasions by groups outside Parliament. It is a poor state of affairs when government members simply ridicule the opposition by saying that it should take this all in good faith and just say it is okay. That is not what the opposition is here for.

One of the main areas of concern is open consultation. When the honourable member for Monbulk said that cutting back regulations and allowing mining to go ahead would mean that everyone would benefit, he was also saying that not all people have a right to suggest that the government should reconsider the legislation.

It will be on the government’s head if the legislation results in Victoria’s flora and fauna not being protected. However, I do not want to go down that track and find in the future that it is too late. I am concerned that flora and fauna will not be protected under the bill. We have the reassurance of the minister. Honourable members who have known
the minister over many years know that he is most sincere about his portfolio. I am sure he will monitor the situation carefully to make sure nothing untoward happens to our flora and fauna.

However, because members of Parliament and governments come and go we cannot always be assured that we will have a minister who will watch over us carefully and avoid becoming the victim of his or her department or of an industry that wishes to exploit and not return to the natural environment what we would all agree should be returned.

I shall mention one specific area to reinforce the concerns of groups and individuals out in the community. Many of our natural areas have been — to use an Australian expression — knocked about. I am referring particularly to the box and ironbark areas. Although people reassure us that it will be fine because those areas are regenerating, they are often so small that their retention in their current condition is most important.

In addition, the Long Forest Mallee area is a unique and limited part of the Mallee south of the Great Divide. Certain people have suggested to me that the exploration licences are so open that these areas will be at great risk because residents will have no say in what happens.

Exploration is one of those words where the definition varies according to one’s experiences. Some people think of exploration as someone digging small holes here and there and taking samples back to a mysterious laboratory to assess the mineral content. Others, who have had different experiences, visualise bulldozers taking off the top layer of soil and miners saying to land-holders, ‘Of course we put aside the top soil’ and ‘Of course we will restore it’, and, ‘Yes we will plant lots of trees’. The result is often that either the company goes broke and that does not happen or the trees are planted at an inappropriate time and do not grow. Sometimes a company does exactly what it said it would do: it has the knowledge and resources to be able to do just that. Therefore one’s view of exploration very much depends on one’s personal experiences.

But that does not stop us from being concerned about those groups that for one reason or another are not able to restore the country to its original condition. That is what most people in the community are concerned about. Most people consider that the exploration now going ahead without the necessary checks and balances is inappropriate.

Although all of us have different views about who has the right ideas and whether the state is going in the right direction, it is beholden on all of us to listen to a range of views. The greatest skill of all is to put those views together and come up with the best overall plan, not only for the state but for a particular area that may be subject to exploration. Therefore, although I understand that the bill is necessary to clarify some issues, the opening up of exploration and the exclusion of people who should have some say in what is happening — —

Mr McArthur interjected.

Ms MARPLE — If it is right, why are people so worried about it?

Mr McArthur — Because you’ve been out there stirring them up!

Ms MARPLE — No, I talk about all sorts of other things; I have not spoken to anyone about mining. People have telephoned me about that.

Mr BATCHELOR (Thomastown) — On a point of order, Mr Acting Speaker, it is 12:15 p.m. on Thursday, 24 March, and my point of order relates to ministers who, to avoid their community obligations, use the excuse that Parliament is sitting. Let it be noted that the Minister for Community Services is not in the house, but more importantly he is not — —

Mr BATCHELOR — The relevance is that the Minister for Community Services advised community groups that he would be in the house at this time and he is not — —

The ACTING SPEAKER (Mr Cooper) — Order! Will the honourable member please explain the relevance of his point of order to the debate currently taking place on the Mineral Resources Development (Further Amendment) Bill? If he cannot explain its relevance, there is no point of order.

Mr BATCHELOR — The relevance is that the Minister for Community Services advised community groups that he would be in the house at this time and he is not — —

The ACTING SPEAKER — Order! There is no point of order. The honourable member for Thomastown is abusing the forms of the house by raising a spurious point of order and he knows full well that he is doing so. If he persists in doing so I
will have no option but to call Mr Speaker to deal with him.

Ms MARPLE (Altona) — It is important that all parties have a say in whatever bill is before the community. I strongly object to government speakers saying that we have no right to speak on the bill. They said that because the bill is simple it should be given the go ahead. They said it was not important for the opposition to have a say about issues of concern. For all those people who voted opposition members into the house I have now stated those concerns.

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I thank the honourable members for Morwell, Caulfield, Pascoe Vale, Monbulk and Altona for their comments. In relation to one of the matters raised by the honourable member for Altona, I make it very clear at the outset that the government strongly supports not only the right but the responsibility of all members of Parliament to make contributions on any bill they choose.

The honourable member for Altona may have misunderstood. The tone of the remarks was not that opposition members should not make comments on the bill but that the comments should be relevant. I am not saying the comments of the honourable member for Altona are not relevant — she made points that were relevant and appropriate to a particular point of view. And that is what debate is all about. The government strongly upholds the right of any member to speak on any bill at any time, and I want there to be no misunderstanding on that point.

As the honourable member for Monbulk mentioned, the bill is simple. Although agreement exists between the government and the opposition on some aspects of the bill, the opposition has taken issue with the purpose of clause 6. Some government members are critical of opposition contributions in that, when examining the clause’s contents, the opposition was trying to regenerate a debate on the amending bill that passed through this house in the spring session last year.

Clause 6, a machinery clause, is simple. It states:

In section 43 of the principal act —

(a) In subsection (3) for “a licensee” substitute “the holder of an exploration licence or mining licence”;

The clause clarifies the rights of the holder of a mining licence to explore within the borders of that mining licence area without having to seek a planning permit. It does not mean he or she can proceed without adhering to all the other provisions required by the act.

When the honourable member for Altona was speaking about open slather on exploratory mining I interjected that she should read the act. I encourage the honourable member and her colleagues to read the 1990 act, which I believe was a good example of bipartisan examination of the mining industry. The process was designed to draft legislation that would allow exploratory mining to take place in Victoria and ensure that the rights of land-holders, public land managers and the community at large were protected. I believe the Mineral Resources Development Act went a long way towards doing that. The minister of the day and I, as opposition spokesman, made it very clear that we thought it was a worthwhile exercise. The former opposition introduced about 100 amendments to the act, all of which were accepted by the minister — and I might say gratefully — because we worked together in the interests of the mining industry and the better land and economic management of the state. The opposition’s concern about this very small machinery clause is, if I can borrow from Shakespeare, much ado about nothing. It is a simple clause.

The honourable member for Altona denies that she has been stirring up trouble in the electorate on this issue — and I believe her. However, some of her colleagues are guilty of spreading rumours and creating misapprehension about the aims of the amending bill. The opposition has been obviously cranked up by the opposition spokesman on energy and minerals in another place, Mr White. I do not believe the opposition spokesman in this house, the honourable member for Morwell, really believes what he has been saying about the application of this small machinery provision. The opposition’s intention is obviously to drum up misapprehension and concern in the community.

The government wants to ensure that responsible mining takes place in Victoria. A strong mining industry will very much assist the economic recovery of the state. It will help to provide economic activity and employment, particularly in regional areas of Victoria where that is sadly needed. The honourable member for Morwell is well aware of the current level of unemployment in his electorate, especially with the downsizing of the State Electricity Commission, which was largely achieved by the former government.