Tuesday, 27 November 1990

The PRESIDENT (Hon. A. J. Hunt) took the chair at 3.2 p.m. and read the prayer.

TRANSPORT (ANTI-GRAFFITI) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. B. T. PULLEN (Minister for Education).

VICTORIAN DEBT RETIREMENT FUND BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

DEBITS TAX BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

HEALTH SERVICES (CONCILIATION AND REVIEW) (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. C. J. HOGG (Minister for Health).

FORESTS (TIMBER HARVESTING) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. B. T. PULLEN (Minister for Education).

COLLINGWOOD (VICTORIA PARK) LAND BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. M. A. LYSTER (Minister for Local Government).

WESTERNPORT (OIL REFINERY) LAND BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. B. T. PULLEN (Minister for Education).

SUPERANNUATION ACTS (MISCELLANEOUS AMENDMENTS) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

LA TROBE UNIVERSITY (BENDIGO AND WODONGA) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. B. T. PULLEN (Minister for Education).

PUBLIC AUTHORITIES (EQUAL EMPLOYMENT OPPORTUNITY) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

QUESTIONS WITHOUT NOTICE

ESSENDON AIRPORT

Hon. M. A. BIRRELL (East Yarra)—I ask the Minister for Industry and Economic Planning: is it State government policy to shut Essendon Airport and redevelop the site?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government has examined the potential of the Essendon Airport for residential purposes and the dilemma is that it is both an ideal potential asset for residential purposes and an ideal airport, albeit with some problems related to the amenity for people living close to it.

If the government were to proceed with the proposal to relocate the Essendon Airport, it would have to find a suitable alternative location. Clearly the Moorabbin Airport could not be placed in that category because it is almost fully utilised. Alternative sites such as Laverton and Werribee have not yet been found to be suitable, although from

time to time work has been going on at both Federal and State levels in an endeavour to find a suitable alternative site.

It is unrealistic to proceed with the Essendon Airport proposal for residential purposes until such time as an alternative site is found. If the government finds that site, it will give serious consideration to the Essendon Airport site for residential purposes.

STATE INSURANCE OFFICE

Hon. R. M. HALLAM (Western)—I address my question to the Minister for Industry and Economic Planning and refer to the government's decision to sell the State Insurance Office. Can he explain why the Transport Accident Commission was chosen as the preferred purchaser by the government and how such a purchase by the TAC could generate a profit to the government?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—As I understand it, the proposal in the legislation which is on the Notice Paper in another place is designed to enable the State Insurance Office to be put on the open market, thereby enabling interested parties to tender for the purchase of the SIO.

Hon. R. M. Hallam—You've already announced the TAC was going to buy it!

Hon. D. R. WHITE—It is also clear that if that legislation is passed by both Houses it will enable the State Insurance Office to be put on the market by the government for the purpose of getting a response in the marketplace as to who would be a suitable and appropriate purchaser.

The government had an earlier proposal to which it was made clear the opposition parties would not agree. The opposition parties would not agree to the sale of the SIO unless it was put into the marketplace where interested purchasers could put in tenders. That is the purpose of the Bill now before the Legislative Assembly, and that is the basis upon which a sale will occur, subject to its passing. If the legislation is passed an opportunity will then be given for a willing and able purchaser, including the Transport Accident Commission and other bodies, if they feel inclined to bid in the open marketplace, to bid for the purchase of the SIO. That is consistent with the Budget decision to put the SIO up for sale as part of the government's sale of business enterprises program.

BANKING INDUSTRY REPORT

Hon. C. J. KENNEDY (Waverley)—What does the Minister for Consumer Affairs propose to do about the deficiencies in dispute resolutions in banks in Victoria reported in the Victorian Consumer Advocacy and Financial Counselling Association's report on dispute handling in banks?

Hon. B. W. MIER (Minister for Consumer Affairs)—I am aware of the report prepared by the Victorian Consumer Advocacy and Financial Counselling Association. I fully endorse the association's recommendation that a uniform customer-orientated code of practice be established to deal with all complaints about the banking industry. Banking has become an increasingly complex process in recent times, so it is not surprising that the level of complaints about the industry has grown at the same time.

Hon. Rosemary Varty—That's right, kick the banks!

Hon. B. W. MIER—That's right. Obviously you have not been out at your electorate office lately and received complaints.

Hon. Rosemary Varty—I'm there a lot more than you are.

Hon. B. W. MIER—Well, you can't be listening to the complaints levelled at the banks. What is of concern, however, is that, according to the association's report, only a few banks in Victoria have prepared procedures for dealing with customer complaints. Such a move would complement the operation of the banking ombudsman, but banks need to establish procedures that all staff are familiar with at a branch level in dealing with customer complaints. Of course, everyone recognises that every dispute requires individual attention, but it should still be possible for both staff and customers to be guided by some basic procedures in dealing with customer complaints.

In the near future I will be moving to convene a meeting between the banks, their association and consumer groups to discuss this important issue and see the best way such a code of practice can be developed. It is in everyone's interests that this occur. This will benefit the banks and their customers, as well as members of the Opposition who do not take heed of the numerous complaints they receive from constituents regarding the conduct of banks in this State.

PHYSIOTHERAPY TRAINING

Hon. HADDON STOREY (East Yarra)—I refer the Minister for Education to the long-running dispute regarding physiotherapy training and the undertaking given by his predecessor, the Honourable Joan Kirner, that funds for the provision of phsyiotherapy places at the University of Melbourne in 1993 would be sought as a first priority in the decisions to be made this year and ask: will the Minister guarantee that the Commonwealth will provide the funds sought, or is this another example of the government making a promise it is unable to keep?

Hon. B. T. PULLEN (Minister for Education)—I am aware of the position concerning Commonwealth funding and have written to the Commonwealth government expressing my concern over some statements made about funding for the University of Melbourne and other universities, especially with respect to the apparent view at one stage that the Commonwealth government may withhold some future funding depending on the progress made with amalgamations. That view does not obtain from the Commonwealth, and I believe the position will be reached so that funding allocations to Victoria will be satisfied. I shall hold further discussions on behalf of Victorian institutions to ensure they get help from the Commonwealth.

SURVEY ON SUPERMARKET PRODUCTS

Hon. W. R. BAXTER (North Eastern)—I refer the Minister for Consumer Affairs to his claim last week that householders can save $37 per week by purchasing generic brands in supermarkets. What research was undertaken to enable him to make that claim, and if there is any research material will he make it available to the House?

Hon. B. W. MIER (Minister for Consumer Affairs)—The survey was conducted by the Office of Prices. It investigated the cost of 780 products on sale in supermarkets and stores throughout the metropolitan area.

Hon. M. A. Birrell—Did Herington do that?

Hon. B. W. MIER—That is how up to date you are. The former director, Andrew Herington, has not been employed by the Office of Prices for nine months. You had better catch up with things—you are slipping! Some 780 products were surveyed. The survey clearly showed that people could save up to——

Hon. R. M. Hallam—Is it "up to" now? That's slightly different.

Hon. B. W. MIER—No, they can save $35.25 and, in other instances that figure can be extended to $42, depending on the range of products purchased. The survey was based on the average weekly household purchases of a consumer. The products included food, cleaning products, soap products and other household goods. The package covered up to 780 products and the savings found were up to $42 a week.

BUSINESS LICENCE CENTRE

Hon. G. A. SGRO (Melbourne North)—In 1987 the Victorian government proposed the establishment of a business licence centre. Will the Minister for Industry and Economic Planning advise the House on the progress of that initiative, paying particular regard to its efficiency and effectiveness in the State?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—Victoria is fortunate to have such an effective Small Business Development Corporation. The open day that was conducted at the World Congress Centre on Sunday was another successful day with more than 10 000 people attending.

In September 1988 the corporation established the Business Licence Centre. The centre is a free-of-charge service available to any prospective or present business proprietor. It provides information and application forms for all Victorian government licences, permits, approvals and registrations.

The centre uses a computerised knowledge base, which contains information on the legislative requirements to be met by people in small business. If one is about to establish a small business and wants details about the legislative requirements, the Business Licence Centre provides the name, address and telephone number of the issuing department or agency, the Act of Parliament under which the regulation applies, the period of cover and renewal date and the details of complaints and appeals procedures if the licence is not granted.

According to a recent review, since the centre has been established it has saved small business up to $1.6 million a year and it has the potential in the future of saving small business $10 million a year. A key recommendation of those conducting the review is that the Business Licence Centre consider supplementing existing services by adding relevant information on Commonwealth legislation.

I am delighted to inform honourable members that the service, which came into existence in September 1988 as the Business Licence Centre, is one that all members should become familiar with so that if requests are made for information people have to provide or permits they need to establish a small business or to expand an existing business it can be obtained via the Small Business Development Corporation. The Business Licence Centre has become a pioneering initiative that is being accepted throughout Australia as a model operation, providing the basis for the introduction of similar centres in New South Wales and Queensland.

Since its establishment the centre has handled nearly 40 000 queries, and we look forward to that continuing progress for the benefit of businesses. It provides services throughout the State through nine telephone lines, which can handle up to six callers at any one time on the centre's 008 number. It is a further example that the Small Business Develpment Corporation is providing an important service at this time.

PAYMENT OF STATE SCHOOL TEACHERS

Hon. J. G. MILES (Templestowe)—I ask the Minister for Education: why is the Victorian government paying State school teachers with cheques from the Ministry of Transport and other authorities?

Hon. B. T. PULLEN (Minister for Education)—It appears there are three possibilities. I should like to think that one is that the Minister for Transport, Peter Spyker, is being generous but is not telling me, but I do not think that is the case. It seems the most likely explanation is that where there is a direct transfer of salaries to teachers the banks issue the cheques and on one or two occasions these cheques have been issued in error with the names of other agencies appearing on them. That is possible. The other possibility is that we also have teachers who are seconded to the Ministry of Transport who are in fact paid by the Ministry of Transport. An example would be the teachers at the Kew traffic school. If Mr Miles has some specific example he would like to bring to my attention I could determine the particulars of the case in question. However, I can assure him that it is normal for the Ministry to issue cheques to teachers employed by the Ministry and I assure him that that will continue.

COAL CORPORATION OF VICTORIA

Hon. P. R. HALL (Gippsland)—My question to the Minister for Industry and Economic Planning concerns the review of the Coal Corporation of Victoria. The review panel chaired by Mr Ainsley Jolly was scheduled to report to the Minister on 31 July 1989. Some sixteen months later I still have not heard of that review, despite asking about it on at least two occasions in this House. I now ask the Minister: has that review been completed and, if so, how does the government intend to deal with the future of the Coal Corporation of Victoria?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The review has been completed and is with the department and will be released soon. It will form the basis for consideration of the activities of the corporation in the future.

Hon. P. R. Hall—That is the same answer as last time.

Hon. D. R. WHITE—You should listen to the question; I answered the question.

MUSIC EDUCATION

Hon. JEAN McLEAN (Boronia)—I direct a question to the Minister for Education. The music education committee of review chaired by Mrs Margaret Ray was completed recently. As honourable members will agree, music education is an important part of our school curriculum. I ask the Minister to inform the House what has happened as a result of that review.

Hon. B. T. PULLEN (Minister for Education)—I regarded the review as an excellent piece of work and congratulate Mrs Margaret Ray on her chairing the review. Honourable members would appreciate the work being done in music in schools. We have had the pleasure of hearing some schools perform in Queen's Hall and the quality of music performed has been pleasing.

The review is a good piece of work and we are progressively implementing its recommendations. The Statewide music education committee has been established to coordinate and monitor music in schools. Eight representative committees are being established in regions and will be coordinated by the central committee. Ten additional support teachers are to be provided in the primary area to augment the already existing coordinator and sixteen teachers are already working with schools. Some four additional coordinators will be appointed in the area of instrumental work in the metropolitan area and two in country areas. Altogether the review has had a good result and I look forward to the development within the curriculum of those schools that specialise in music—it is an important part of the curriculum. I look forward also

to a continuation of the quality of music that honourable members have heard during the performances in Queen's Hall.

I have also visited schools and attended concerts performed by schools. Music is an important part of education in Victoria and the work of the committee has been extremely helpful in setting clear guidelines for the future of music education. I look forward to progressively increasing resources to schools in this area.

MINISTRY OF EDUCATION OVERSPENDING

Hon. K. M. SMITH (South Eastern)—I ask the Minister for Education: is it a fact that the Ministry of Education is overspending its budget by $1 million a week and, if so, what action is the Minister taking to rectify this financial mismanagement by the government?

Hon. B. T. PULLEN (Minister for Education)—The Ministry is meeting its obligations in relation to the targets set in the Budget and, as Mr Smith would know and as has been reported a number of times to this House, it is important that that be done in a way that keeps those problems away from schools.

Mr Smith is probably not aware of the way changes occur in relation to savings. Vacancies are filled by extended emergency teachers to the end of the school year so there is no change in the establishment until the change of school year. Next year establishments will be on the basis of agreements made, so to meet the target in the Budget one will need to have regard to the cash flow situation and the rate at which changes are implemented. There are also delays because staff are not sacked; the change is progressive.

I am satisfied that we will meet our objectives. The situation must be looked at in terms of targets over the year rather than weekly targets, which is not an appropriate measure. One must take into account the cash flow over the year.

Hon. K. M. Smith—Are you denying it?

Hon. B. T. PULLEN—I do not know what figures Mr Smith is using in his analysis, but my analysis takes into account the actual projects to make the savings in the timeframe intended, and that is the appropriate way to approach the position on savings.

SEXUAL ASSAULT SERVICES

Hon. JOAN COXSEDGE (Melbourne West)—I ask the Minister for Health to advise the House of services to be made available at the Ballarat Base Hospital and in the Wimmera region following a recent launch of the sexual assault services working party report.

Hon. C. J. HOGG (Minister for Health)—The working party examining questions of sexual assault in the Central Highlands and Wimmera regions was chaired by a well-known academic based in Ballarat, Dr Shirley Randall. Dr Randall and the working party, which was most thoroughly supported by Kerrie Cross, the director in the regional office, produced a report which was launched at the Ballarat Base Hospital ten days ago and at the Wimmera Base Hospital last Sunday.

The report, which was quite far-reaching and extensive but at the same time realistic, recommended that a semi-autonomous subregional model based at the hospitals be followed. In other words, it would be based on existing resources, recognising the great

distances between the Wimmera and Central Highlands regions, which have to be taken into consideration.

As an initial response to the report and through the work of the regional office we were able to make available to the Ballarat Base Hospital a capital grant of $59 000 to upgrade the second floor of the old nurses home to make that a counselling centre and to give the sexual assault service the physical resource it needed. For the Wimmera we were able to make available a grant of $54 900, which is the salary of a full-time counsellor with part-time secretarial support.

I have said before—and I know all honourable members support me—that it would be terrific if we did not have to provide this service; if it were not needed. Unfortunately it is, and I know it is needed in other parts of the State. I am watching carefully to see and seize the opportunities for funding to provide, for example, the level of funding needed for the Mallee region as well.

MET WAGES BILL

Hon. G. H. COX (Nunawading)—I want to complete the financial round-robin by asking the Minister for Industry and Economic Planning whether the State Electricity Commission has been paying the Met's wages bill over the past few weeks. If so, how much has the SEC outlaid each fortnight and what is the total amount outlaid to date.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I understand the question was: has the SEC been paying the wages for the Met transport system? The answer is no.

Hon. R. I. Knowles—You're saying no?

Hon. D. R. WHITE—Not to my knowledge.

LOCAL GOVERNMENT

Hon. B. E. DAVIDSON (Chelsea)—The national review of local government labour markets has identified local government as an industry that has had difficulty in attracting and retaining suitably qualified staff and has found problems which act as barriers to employment and career development. Will the Minister for Local Government inform the House what measures are being taken to overcome these problems?

Hon. M. A. LYSTER (Minister for Local Government)—I can report to the House that three measures are being taken. The first involves the Municipal Association of Victoria on whose behalf yesterday I had the pleasure of officially launching a new manual called *Careers in Local Government*. I launched it at a conference organised by the Victorian Commercial Teachers Association who welcomed it as a very valuable resource in their career education in schools. It will have far broader application than simply for use with school students; it will also be useful for graduates and, indeed, for adults contemplating a second career.

The second matter that I foreshadow is the imminent release of the first annual report of my tripartite peak council which includes a series of recommendations for implementation by the local government industry to address matters raised in Mr Davidson's question.

The third matter that I know will assist greatly in addressing those problems raised by that national review will be the launch of the local government industry training board

as part of the State Training Board mechanisms. That tripartite body will meet for the first time in a couple of weeks.

Those three actions will lead the way in Victoria and demonstrate to other States how State and local government and the local government associations working together can constructively address the problems that were highlighted in last year's national review.

PETITIONS

Radiotherapy services, Ballarat

Hon. R. I. KNOWLES (Ballarat) presented a petition from certain citizens of Victoria praying that the application by the St John of God Hospital to establish radiotherapy services in Ballarat be approved.

Laid on table.

Martha Cove development

Hon. K. M. SMITH (South Eastern) presented a petition from certain citizens of Victoria supporting the proposed Martha Cove development in the Safety Beach area.

Laid on table.

PATHOLOGY SERVICES ACCREDITATION (FURTHER AMENDMENT) BILL

Hon. C. J. HOGG (Minister for Health), by leave, introduced a Bill to amend the Pathology Services Accreditation Act 1984 and for other purposes.

Read first time.

LEGAL AND CONSTITUTIONAL COMMITTEE

Subordinate legislation

Hon. D. M. EVANS (North Eastern) presented nineteenth report of Legal and Constitutional Committee on subordinate legislation (Statutory Rules Nos 104 and 183 of 1990) together with appendices.

Laid on table.

Ordered to be printed.

AUDITOR-GENERAL'S REPORT

Met Ticket

Laid on table by Clerk.

Ordered to be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

PAPERS

Laid on table by Clerk:

Albury-Wodonga (Victoria) Corporation—Report and financial statements for the year 1989-90.

Alexandra District Hospital—Report and financial statements for the year 1989-90.

Arts Centre Trust—Report and financial statements for the year 1989-90.

Bendigo and Northern District Base Hospital—Report and financial statements for the year 1989-90.

Bethlehem Hospital—Report and financial statements for the year 1989-90 (two papers).

Chief Commissioner of Police Office—Report and financial statements for the year 1989-90.

Cohuna District Hospital—Report and financial statements for the year 1989-90.

Conservation and Environment Department—Report and financial statements for the year 1989-90.

Corrections Office—Report and financial statements for the year 1989-90.

Director of Public Prosecutions Office—Report and financial statements for the year 1989-90.

Donald District Hospital—Report and financial statements for the year 1989-90.

Dunolly District Hospital—Report and financial statements for the year 1989-90.

East Gippsland Hospital—Report and financial statements for the year 1989-90.

Edenhope and District Memorial Hospital—Report and financial statements for the year 1989-90.

Education Ministry—Report and financial statements for the year 1989-90 (including the Report of the Office of Schools Administration) (two papers).

Equal Opportunity Board—Report for the year 1989-90.

Film Victoria—Report and financial statements for the year 1989-90.

Geelong Hospital—Report and financial statements for the year 1989-90.

Grace McKellar Centre—Report and financial statements for the year 1989-90.

Healesville and District Hospital—Report and financial statements for the year 1989-90 (two papers).

Housing Guarantee Fund Limited—Report for the year 1989-90.

Industry and Economic Planning Department—Report and financial statements for the year 1989-90.

Inglewood Hospital—Report and financial statements for the year 1989-90.

Kaniva District Hospital—Report and financial statements for the year 1989-90.

Kyabram and District Memorial Community Hospital—Report and financial statements for the year 1989-90.

Law Reform Commission—Report on Statute Law Revision and Miscellaneous Amendment, No. 38.

Legal Aid Commission—Report and financial statements for the year 1989-90.

Local Authorities Superannuation Board—Report and financial statements for the year 1989-90.

Marine Board—

Minister's advice of 20 November 1990 of extension of time granted to submit an annual report to him and the reasons therefor.

Report and financial statements for the year 1989-90.

Mordialloc-Cheltenham Community Hospital—Report and financial statements for the year 1989-90.

Mortlake District Hospital—Report and financial statements for the year 1989-90.

Museums Advisory Board—Report for the year 1989-90.

National Companies and Securities Commission—Report and financial statements for the year 1989-90.

Nhill Hospital—Report and financial statements for the year 1989-90.

Ouyen and District Hospital—Report and financial statements for the year 1989-90.

Parliamentary Committees Act 1968—Minister's response to recommendations in Natural Resources and Environment Committee's report upon Waste Management in the Greater Melbourne Area.

Penshurst and District Memorial Hospital—Report and financial statements for the year 1989-90.

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

Croydon Planning Scheme—Amendment L27.

Marong Planning Scheme—Amendment L22.

Melbourne Planning Scheme—Amendment L61.

Victoria—State Sections Planning Schemes—Amendment S11.

Preston and Northcote Community Hospital—Report and financial statements for the year 1989-90 (two papers).

Rochester and District War Memorial Hospital—Report and financial statements for the year 1989-90.

Statutory Rules under the following Acts of Parliament:

Building Societies Act 1986—No. 341.

Chattel Securities Act 1987—No. 319.

Chiropractors and Osteopaths Act 1978—No. 337.

Construction Industry Long Service Leave Act 1983—No. 326.

Dairy Industry Act 1984—Nos 327 and 334.

Drugs, Poisons and Controlled Substances Act 1981—No. 338.

Farm Produce Merchants and Commission Agents Act 1965—No. 333.

Food Act 1984—No. 315.

Groundwater Act 1969—No. 342.

Health Act 1958—Nos 316 and 336.

Margarine Act 1975—No. 328.

Poultry Processing Act 1968—No. 329.

Racing Act 1958—No. 343.

Road Safety Act 1986—No. 339.

Seeds Act 1982—No. 330.

State Employees Retirement Benefits Act 1979—No. 344.

Stock Diseases Act 1968—No. 331.

Tomato Processing Industry Act 1976—No. 332.

Transport Act 1983—Nos 323 and 324.

Water Act 1989—No. 312.

Swan Hill District Hospital—Report and financial statements for the year 1989-90.

Tawonga District General Hospital—Report and financial statements for the year 1989-90.

Taxation—Analysis of operations of Land Tax for the assessment year 1989 and Probate Duty and Gift Duty for the year 1989-90.

Terang and District (Norah Cosgrove) Community Hospital—Report and financial statements for the year 1989-90.

Transport Ministry—Report and financial statements for the year 1989-90, including determinations of quantitative targets for the Public Transport Corporation and Roads Corporation for the year 1990-91.

Treasury Department—Report and financial statements for the year 1989-90.

Urban Land Authority—Report and statement of accounts for the year 1989-90.

Werribee District Hospital—Report and financial statements for the year 1989-90 (two papers).

Ordered that papers tabled by Clerk, except amendments to planning schemes and statutory rules, be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

ORDER OF BUSINESS

Hon. D. M. EVANS (North Eastern)—I move:

That the consideration of Notices of Motion, Business to take Precedence, be postponed until the next day of meeting.

Again I indicate that it is likely that I shall proceed to debate notices of motion Nos 1 and 2 later this week.

Motion agreed to.

DEBITS TAX BILL

Second reading

For **Hon. D. R. WHITE** (Minister for Industry and Economic Planning), Hon. C. J. Hogg (Minister for Health)—I move:

That this Bill be now read a second time.

On 19 July the Prime Minister announced that the Commonwealth government would remove its debits tax in order to leave the field to the States and that it would reduce the base for calculation of the States' ongoing financial assistance grants in order to recover the tax revenue forgone by the Commonwealth. This transfer of a tax base to the States was seen as a step towards improved Commonwealth–State financial arrangements.

As such it is to be welcomed, though it is a small gesture in the context of the fundamental problem of the mismatch of expenditure responsibilities and revenue-raising powers at the different governmental levels in the Australian Federation. Hopefully a commitment to address that problem will emerge from the process set in train by the October special Premiers Conference.

On 21 August 1990 the Commonwealth announced in its Budget Papers that the reductions in the financial assistance grants would be made with effect from 1 January 1991. In Victoria's case the reduction in the grant is to be $50.1 million in 1990–91 and $100.2 million in a full year.

Clearly Victoria, along with the other States, must take action to make up the shortfalls in the financial assistance grants below the amounts announced at the Premiers Conference on 29 June 1990. The Premiers Conference decisions have been incorporated into the State Budget Estimates.

Action to continue with the present form of the Commonwealth tax, to modify it or to further increase the existing financial institutions duty clearly has nationwide implications but the Commonwealth's timetable did not allow for the necessary full consultation between the States. In particular there was virtually no possibility of the States introducing the necessary administrative arrangements to collect a debits tax from the beginning of 1991. In this context the Commonwealth government has offered to collect the tax on behalf of the States until the end of 1992.

This situation was outlined in Budget Paper No. 4, which noted a need for consultation with the other States and the Commonwealth and foreshadowed the introduction of legislation in the current session of Parliament to preserve the integrity of the Budget.

The government has now decided to take up the Commonwealth's offer to collect the tax on Victoria's behalf. This is to be an interim arrangement to give the States breathing space to consult in detail on options for the longer term.

The Bill is an enabling Bill. It has been drafted in consultation with the Commonwealth and other jurisdictions and parallel legislation is expected to be introduced in most other jurisdictions. Reciprocal legislation is being introduced into the Commonwealth Parliament. Essentially the effect of the Bill is to take over the existing Commonwealth tax rates and general arrangements. This is achieved by applying the existing Commonwealth law with appropriate changes for State law and by providing for the Commonwealth to continue collection of the tax.

The tax is levied on debits to cheque accounts at rates varying from 15 cents on debits of less than $100 to $2 on debits of over $10 000. The revenue from the tax will offset the reduction in the financial assistance grants. For the financial institutions involved the interim arrangements will entail only relatively minor changes of procedure and no change in rates: for their customers there will be no changes arising from the Bill.

The longer term options could, of course, involve a restructure of the debits tax or its replacement by an increased rate of financial institutions duty or by a different tax on financial transactions. Discussions on these matters are proceeding with all States.

I commend the Bill to the House.

Debate adjourned for Hon. R. M. HALLAM (Western) on motion of Hon. R. I. Knowles.

Debate adjourned until later this day.

PUBLIC AUTHORITIES (EQUAL EMPLOYMENT OPPORTUNITY) BILL

Second reading

For **Hon. D. R. WHITE** (Minister for Industry and Economic Planning), Hon. C. J. Hogg (Minister for Health)—I move:

That this Bill be now read a second time.

The purpose of this Bill is to require public authorities in Victoria to implement equal employment opportunity programs. The State public sector involved 15 per cent of the total employment in Victoria at March 1990.

Victoria already has legislation covering employees in the Victorian Public Service and in local government. The Victorian Public Service Act was amended in 1984 to include merit principles of personnel management—a first for any government in Australia. The Local Government Act was amended in 1989 to extend these principles to local government employees. The principles provide that all recruitment and promotion be carried out on the basis of merit; that all employees be treated fairly and equitably, without discrimination, arbitrary action or coercion; that equal pay be provided for work of equal value; that employees be provided with effective education and training and be used efficiently; and that employees maintain proper standards of integrity, conduct and concern for the public interest.

The government now wishes to extend these provisions to other employees in the public sector: those employed by the many public authorities across the State. More than 95 per cent of public sector employees will be covered by this legislation. Employees in organisations such as the Gas and Fuel Corporation, the Melbourne and Metropolitan Board of Works, water boards, the Teaching Service, public hospitals and the Victoria Police will be covered.

Women are most likely to be found in lower status jobs, at lower classification levels where they earn less money. Women are typically employees in hospitals, schools and community services rather than in transport, industry, housing and construction or water resources. This legislation will help improve the employment status of women in public authorities by giving women access to and ensuring that they are equipped for a wider range of jobs in different occupations and at different levels.

In order to achieve this aim the legislation will require authorities to: promote non-discriminatory policies and practices; ensure that their personnel systems select people on the basis of merit for recruitment and promotion; establish equal employment opportunity consultative committees, with an appropriate balance of management and union representation; set up information systems to provide data on the effectiveness of programs; and provide information to employees and to Parliament on the content and effectiveness of equal employment opportunity programs.

Under this Bill all authorities employing more than 40 employees will be required to establish equal employment opportunity programs. Some authorities have already established successful programs. For these authorities the Bill will provide legislative support for their existing programs. For other authorities which do not have equal employment opportunity programs or which have only limited programs the Bill will set the minimum standard they must meet in order to ensure equality of opportunity for their employees.

The Bill provides for equal employment opportunity programs for women. We may find that other groups, such as Aboriginal people, people with disabilities or people from non-English-speaking backgrounds require special consideration. Accordingly there is provision for the Governor in Council to order that the legislation be extended to apply to other designated groups.

The Bill will require authorities to adopt the same principles of personnel management as are set out in the Public Service Act. Authorities will report annually through their Ministers to Parliament on the profile of their work forces and the impact of their equal employment opportunity programs. There will also be an annual report to Parliament by the Minister responsible for administering the Act on the overall implementation of equal employment opportunity in public authorities. I remind honourable members that this Bill does not apply to local government or to employees of the Victorian Public Service. Both groups are covered by other legislation. While the principles of this legislation are not new, their application across the entire public sector in Victoria is a major step forward. This Bill is further evidence of my government's ongoing commitment to promoting equality of opportunity in employment to all Victorians.

I commend the Bill to the House.

Debate adjourned for Hon. ROSEMARY VARTY (Nunawading) on motion of Hon. M. T. Tehan.

Debate adjourned until later this day.

SUPERANNUATION ACTS (MISCELLANEOUS AMENDMENTS) BILL

Second reading

For **Hon. D. R. WHITE** (Minister for Industry and Economic Planning), Hon. C. J. Hogg (Minister for Health)—I move:

That this Bill be now read a second time.

This Bill is to make miscellaneous amendments to major Acts relating to superannuation of public sector employees. Those Acts are the State Superannuation Act 1988 which constitutes the State Superannuation Fund to which public servants, teachers and others contribute, the State Employees Retirement Benefits Act 1979, the Hospitals Superannuation Act 1988, the Transport Superannuation Act 1988, the Superannuation (Portability) Act 1989, the Emergency Services Superannuation Act 1986 and the Superannuation Acts (Amendment) Act 1988.

The Bill clarifies the definition of retrenchment in each of the Acts. It also includes provisions to make administrative changes to the State Superannuation Act 1988 to eliminate anomalies which have caused complaints from employees in the past two years. The Bill allows persons who had elected to transfer from the State superannuation revised scheme to the new scheme to elect to receive all of their contributions plus interest and a deferred pension or continue fully preserving their superannuation benefits upon resignation from the fund. The Bill also ensures the amount of superannuation benefits received as a cash lump sum from the State Superannuation Fund on resignation and retirement are consistent.

The Bill makes provisions to authorise the Transport Superannuation Board to take over administration of smaller closed superannuation funds in the transport sector which have become too small to be economic to administer separately.

In summary, this Bill implements a number of minor amendments to correct previous drafting errors and facilitate the administration of statutory public sector superannuation funds.

I commend the Bill to the House.

Debate adjourned for Hon. R. M. HALLAM (Western) on motion of Hon. M. T. Tehan.

Debate adjourned until later this day.

VICTORIAN DEBT RETIREMENT FUND BILL

Second reading

For **Hon. D. R. WHITE** (Minister for Industry and Economic Planning), Hon. C. J. Hogg (Minister for Health)—I move:

That this Bill be now read a second time.

As honourable members are aware, the cost of servicing Budget sector debt, in the face of sustained high interest rates, has become prohibitive. Accordingly, the Budget for 1990–91 represented a substantial shift in the financial practices of this and previous governments of this State, and embraced the concept of a strengthened debt management strategy. This stronger debt management strategy is aimed at significant debt reduction and comprehensive management of all Budget sector debt.

The strategy incorporates the following:

ongoing restraint in Budget sector outlays, assisted by an expenditure review process which continued the day after the Budget;

continuation of the process of debt centralisation by centralising the operational management of all public account funded debt (financial agreement and housing agreement) to VicFin or the Victorian Development Fund, the agencies charged with day-to-day Budget sector debt management;

significantly reduced financing transactions in the Budget sector;

enhanced financial planning and control in the agencies charged with day-to-day debt management through an approved formal strategic planning process.

A further key element of the strategy is the establishment and operation of the Victorian Debt Retirement Fund. This fund will receive the proceeds of a business asset sales program of approximately $2.6 billion this year, supplemented by an annual appropriation of $100 million. The result of these policies is that Budget sector net debt is projected to fall by $139 million in nominal terms by 30 June 1991. As other elements of the debt management strategy reshape the financial position of the Budget, opportunities will arise to further decrease debt.

The Victorian Debt Retirement Fund will be separate from the normal financial operations of the State and will be established as an independent body corporate with four members, two officials from the Department of the Treasury and two independent members with appropriate financial management and legal skills.

Debt can be effectively retired in several ways—by buying the debt and cancelling it, by buying securities and accumulating interest into the fund, or by pledging securities to a trust to meet the payments when due. The mechanisms used for retiring debt will depend on commercial considerations, and the measures adopted by the members should ensure that the most effective mechanisms are used for the long-term benefit of all Victorians.

The purpose of the Victorian Debt Retirement Fund, which is clearly stated in the Bill, is to retire State Budget sector debt. This is defined to include debt incurred by the State or by public authorities which are funded by the Budget and therefore fall within the Budget sector. It is proposed that the Bill will create the Debt Retirement Trust Account within the Public Account, as well as the Victorian Debt Retirement Fund. The sole purpose of the trust account will be to marshal the proceeds of designated business assets sales, such as the proceeds of the sale of State Bank Victoria, for transfer to the Victorian Debt Retirement Fund before the end of the financial year.

The government intends that, as the proceeds of designated sales are to be used for the sole purpose of retiring State debt, they be paid into the Debt Retirement Trust Account and not the Consolidated Fund. Under The Constitution Act, revenues of the Crown must be paid into the Consolidated Fund unless Parliament expresses a contrary intention.

In order to meet these objectives, the Bill provides for the Governor in Council to designate those business asset sales the proceeds of which are to be paid into the Debt Retirement Trust Account. The Act, once proclaimed, will operate to direct the payments to the trust account and not the Consolidated Fund.

As already stated, the Victorian Debt Retirement Fund Bill is a key element in the government's debt management strategy and every year Victorians will be able to see clearly what has been done to retire debt.

I commend the Bill to the House.

Debate adjourned for Hon. R. M. HALLAM (Western) on motion of Hon. M. T. Tehan.

Debate adjourned until later this day.

MINERAL RESOURCES DEVELOPMENT BILL

Second reading

For **Hon. D. R. WHITE** (Minister for Industry and Economic Planning), Hon. C. J. Hogg (Minister for Health)—I move:

That this Bill be now read a second time.

The Mineral Resources Development Bill was introduced into Parliament during November 1989. Since the introduction of the Bill, the consultation process which has been a key part of the preparation of the Bill has continued and a number of desirable amendments identified. These amendments are now incorporated in the new Bill before the House. The format and structure of the initial Bill is maintained and the amendments are mainly of a procedural nature. In order to facilitate debate and understanding of the Bill, it was considered desirable to proceed by means of a replacement Bill rather than by way of a series of House amendments.

The Mineral Resources Development Bill is a significant part of the government's legislation program and is evidence of our commitment to the establishment of a legislative framework that will facilitate mining in Victoria in harmony with the State's environment protection and conservation policies now and in the 21st century.

The Bill now before the House represents a continuation of the comprehensive consultation process that commenced in February 1988 and has involved the active participation of the mining industry, landowners, conservation and environmental protection groups and government departments.

For many years the mineral wealth of Victoria was believed to be restricted to brown coal and the largely worked out gold deposits. This changed in the 1960s with the discovery of oil and gas in Bass Strait and more recently with the discovery of copper, zinc and silver deposits near Benambra and mineral sands near Horsham. It was only within the past decade that Western Australia surpassed Victoria as Australia's major gold producer. By far the majority of newly opened gold mines in that State and elsewhere are located in and around old mines and goldfields. Advice to me is that there is no reason to believe Victoria should be any different and that within Victoria there is the potential for the mining industry to make a significant contribution to the economy of Victoria within the next decade and beyond.

A measure of the success of these proposals will be the number of new projects which commence in the next ten years or more. The proposals are designed not only to overcome administrative problems associated with the present Act but also to provide a climate in Victoria favourable for investment by the mining industry.

The proposals for changes to the administration of mining legislation have been widely circulated in the White Paper released in August 1989 and the Bill introduced in November 1989. The new arrangements for the overall administration of mining in Victoria are a combination of the proposals in the Mineral Resources Development Bill, amendments to other legislation and changed administrative arrangements. The result is an integrated approach to the handling of applications for exploration and mining projects.

The major provisions of the Bill are:

reducing the number of titles for exploration and mining to two—an exploration licence and a mining licence;

the granting or refusal of licence applications within three months;

the ability to call for tenders to undertake exploration and mining;

all licences to be subject to Ministerial discretion in their granting;

improved provisions for the payment of compensation for the use of private land, including the payment of a solatium;

separating the grant of title for the purposes of exploration and mining from the process of obtaining planning permits and environmental approvals;

increased powers to stop the practice of real estating of mining titles;

changed application processes to remove opportunistic pegging of land;

abandonment of the provisions whereby a third party can apply to the Mining Warden for forfeiture of titles which are not being worked;

cancellation of licences for not complying with the conditions will now rest solely with the Minister;

rehabilitation will be mandatory, with the provision of realistic bonds which may be retained for up to six years after a licence has expired;

on private land, landowners will be consulted on rehabilitation requirements for mining licences and on the return of rehabilitation bonds;

there will be no separate titles available for tailings; tailings will be treated as part of the land with exploration for and recovery of any minerals in the tailings taking place under an exploration licence or mining licence respectively.

Changes to other legislation are included to enable:

the Department of Conservation and Environment to include conditions which will protect the ecological condition of native forests;

concurrent hearings for environment effects statements, planning scheme amendments and Environment Protection Authority works approvals;

holders of mining licences to be subject to the payment of municipal rates and to be eligible to enrol to vote at municipal elections.

Other changes which are non-legislative are:

the Minister for Industry and Economic Planning to be a planning authority for the purposes of exploration and mining;

the option for a proponent to have an in principle environmental assessment for a project;

the Department of Industry and Economic Planning to act as a coordinating body for exploration and mining. The department will take on a proactive role in either obtaining for an applicant or assisting an applicant in obtaining other consents and approvals.

In relation to mining projects, government departments have been criticised in the past for avoidable delays and for making decisions in isolation from each other. To prevent this, it is intended that a formal consultation mechanism between departments

be developed to focus the attention of all relevant agencies in a coordinated manner when considering exploration and mining issues.

By making the Minister for Industry and Economic Planning a planning authority it will be possible to ensure some uniformity throughout Victoria in the treatment of exploration and mining projects. This will be achieved by amendments to the State section of planning schemes and, where appropriate, to the regional and local sections. Municipalities must be consulted under the amendment process, so there will continue to be local involvement and contribution to an amendment. Municipalities will no longer have to bear the costs and perform the onerous duties involved in a planning scheme amendment for an exploration or mining project.

The Minister for Industry and Economic Planning will be authorised to be a planning authority under the Planning and Environment Act by the Minister for Planning and Urban Growth. To provide the necessary continuity for this role, the government gives an undertaking that the Minister for Industry and Economic Planning will remain a planning authority for exploration and mining for at least the life of this Parliament.

To ensure individual projects are not delayed, the Minister for Industry and Economic Planning may declare, subject to Cabinet approval, a project to be one of special significance. Projects to be declared will be those that have the potential to make a significant contribution to the economy of Victoria. The purpose of the declaration is to indicate a government commitment to, and an agreed timetable for, consideration of the project, but a declaration will not pre-empt a decision on the project. Facilitation of these projects will be undertaken by the Department of Industry and Economic Planning.

For Crown land, exploration and mining in national, State and wilderness parks will continue to be prohibited in line with government policy and legislation. The consent provisions that currently apply to proclaimed catchment areas and nominated Crown land reserves will be maintained. For the remainder of Crown land, the Department of Conservation and Environment will have, in addition to the ability to include conditions referred to earlier, an input into rehabilitation plans and the setting of bonds. Conditions will be included by the use of section 7 (2) of the Forests Act 1958. Provisions for a role of that department in rehabilitation plans and bonds will be through the Mineral Resources Development Act. The conditions, the rehabilitation plan and the rehabilitation bond will be as agreed between the two departments.

To protect the assets and interests of water and sewerage authorities, referral authority status will be granted to the government department responsible for the management of water resources.

A number of aspects of the Bill require specific comments. The Bill represents a major change for those miners operating on miner's right claims. Claims for which there was previously an as-of-right registration are no longer available. The government has recognised the contribution made by this sector of the industry and has included a mechanism for cases where an applicant for a mining licence of 5 hectares or less is unable to obtain the consent of the holder of an exploration licence whereby the Minister on the advice of the Mining Warden may grant that consent.

It is necessary, as a result of representations from various parties, to clarify the situation in relation to survey requirements for mining licences of 5 hectares or less in area. When introducing the Bill in another place, the government indicated that the Mining Registrar would have the discretion to waive requirements for survey of licences and it was the government's intention that such licences would not be surveyed. It is clear, however, that the absence of any details that clearly establish the location

of a licence could put the licensee in dispute with adjoining licensees over boundaries. The regulations will provide that, where the absence of a survey may give rise to such difficulties, the Mining Registrar may require an applicant to provide a plan of the licence area of a standard sufficient to clearly establish the location of the licence. The requirement to provide such basic information is in the best interests of applicants and licensees.

In addition to this concession to the small mining sector, the regulations will provide that the application fee for a mining licence of 5 hectares or less will be $100, not the $450 proposed to be charged for all other mining licences.

The Bill includes provisions for the calling of tenders for exploration and mining projects on land that is not the subject of a licence or an application. The provisions are included for special circumstances only and it is not intended that the use of these provisions would become the norm rather than the exception. In fact, by restricting them to areas that are not the subject of a licence or an application, the provisions ensure that the major allocation process will continue to be based on priority according to the date of application, not a tender process.

The Bill maintains provisions similar to those in the current Act in relation to royalties. These provisions are that a royalty different from that prescribed in the regulations may be set at the time of granting of a mining licence. The mining industry has expressed concern that these provisions may be used to set different rates for different projects. I should like to assure the industry that the setting of different rates will not be widely used and for most projects the prescribed royalty rate will prevail.

The government is committed to the rehabilitation of all sites affected by mining. Bonds will be set at realistic levels and a vigorous campaign will be undertaken to ensure the highest standard of rehabilitation is maintained. The Bill includes a provision whereby a bond may be retained for up to six years. This provision will be used only where, because of the particular features of a site, there may be some concern in the longer term over the success of the rehabilitation. This provision will not be used in every case, only in those where there are special circumstances.

In the context of Crown ownership of minerals the government is concerned to ensure the interests of landowners are safeguarded. The provisions for compensation, which has traditionally been paid by miners for the use of private land, have been strengthened as one means of achieving this. In addition, the Bill endeavours to remove inconsistencies in the current Act in relation to the owners and occupiers who may be compensated. In certain circumstances the current Act provides that owners and occupiers of adjoining land may be compensated. In other circumstances, even though the situation on the ground may be identical, the owners and occupiers are not entitled to be compensated because of technical provisions of the current Act. To remedy this, under provisions of the Bill there is the ability for owners and occupiers of land that is subject to mining and for owners and occcupiers of land affected by mining work to be compensated. This should not be seen as a possible windfall to any owner or occupier who has a mine truck pass by the door of a property to be compensated, as it is intended to be limited to those who can demonstrate any loss or damage as a consequence of the approval of the work plan or the mining work. In addition to these changes, the heads of compensation have been broadened.

For the most part, the changes between the Bill introduced last year and the current Bill are of a procedural nature, or are changes made to clarify the meanings and intentions of various clauses.

The major changes are:

a requirement for licensees to have an approved policy of insurance;

changes to the process of approval for exploration so that the licensee does not have to continue to obtain an authority to commence work every time a new property is entered;

for a landowner to be able to consent to exploration or mining work within 100 metres of various improvements, and for the Minister, on the advice of the Mining and Environment Advisory Committee, to give consent under certain circumstances;

for exploration and mining to take place within 100 metres of buildings protected because of their mining significance, subject to the advice of the Mining and Environment Advisory Committee and any other necessary approvals;

changes to the composition of the Mining and Environment Advisory Committee to provide specific representation from persons representing landowner and environmental interests to better ensure advice tendered to the Minister is representative of a broad range of interests—an amendment agreed to in another place provided for representation of the small mining sector;

for a landowner to be consulted on the return of a bond—an amendment agreed to in another place provides that the landowner will be consulted on the setting of a bond where the licence is a mining licence;

deletion of the provisions in relation to contravention notices as these are adequately covered by the Occupational Health and Safety Act; and

amendment to provide that information relating to mining licences on section 32 certificates under the Sale of Land Act 1962 is not required for areas where there is no prospect of mining taking place, such as the metropolitan area.

I referred at the beginning of the speech to the comprehensive consultation process undertaken in the development of the legislation. The process commenced in early 1988 with the establishment of a Ministerial working group chaired by the Honourable M. Arnold, then MLC, and consisting of representatives of—as they were then—the Department of Conservation, Forests and Lands, the Department of Industry, Technology and Resources, and the Ministry of Planning and Environment to oversee the review of the Mines Act 1958 and the public consultation process required for the preparation of this new legislation process.

The main functions of the Ministerial working group were:

to conduct the review of the Mines Act;

to oversee the progress of the review and coordinate the formal consultation process;

to contribute to the development of options for changes to the Act and facilitate decisions in relation to such options; and

to ensure representatives of other government departments and community and industry groups had the opportunity of commenting and providing advice on issues and options as required.

This process saw the release of three discussion documents for public comment that attracted a significant response on the wide range of issues canvassed in the documents.

The Ministerial working group attended a number of public meetings throughout Victoria to provide an opportunity for community participation in the debate.

The full extent of the public process is detailed in the discussion documents and I do not intend to canvass it any further other than to thank all those who served on the

Ministerial working group, the reference group, the Mining Warden and his committee on real estating, and the Law Reform Commission for the work they carried out as part of the process.

There is now a way forward for the development of the mineral resources of the State in a manner that is compatible with the government's economic, social justice and conservation strategies.

I commend the Bill to the House.

Debate adjourned for Hon. J. V. C. GUEST (Monash) on motion of Hon. R. I. Knowles.

Debate ajdourned until next day.

BUILDING SOCIETIES (PRUDENTIAL STANDARDS) BILL

Second reading

Hon. M. A. LYSTER (Minister for Local Government)—I move:

That this Bill be now read a second time.

The Bill makes a number of significant amendments to the Building Societies Act 1986.

Earlier this session the government introduced in another place a Bill to amend the Building Societies Act. That Bill was withdrawn after the government received submissions from several interested parties, including the Victorian Building Societies Association, the Australian Association of Permanent Building Societies, various credit cooperative associations, the Law Institute of Victoria and KPMG Peat Marwick.

The present Bill seeks to address a number of the concerns raised in relation to the earlier Bill. At the same time it retains the principal initiatives contained in the earlier Bill.

The following are the main differences between this and the former Bill:

(1) a member of the reserve board is now entitled to sit as an ex-officio member of the advisory committee. This provision will enhance interaction between the reserve board and the advisory committee;

(2) the provisions permitting directed mergers between building societies and credit cooperatives or friendly societies have been removed;

(3) interest rate controls contained in the Building Societies Act are repealed;

(4) to monitor the activities of the reserve board more closely, it is now required to submit an annual budget to the Victorian Building Societies Advisory Committee for consultation and to the Minister for approval;

(5) the effectiveness of the limitation on shareholding provisions has been enhanced by inclusion of clauses dealing with relevant interests and holdings of associated persons. Criteria for consideration by the Minister when dealing with an application for exemption from the provisions have also been included;

(6) prior to 30 June 1990, the Treasurer is empowered to grant stamp duty exemptions for acquisitions of shares, mergers or sales of assets and for liquidity support arrangements;

(7) a levy for liquidity support is included;

(8) before the reserve board may grant liquidity support to a society, it must be satisfied that the society is solvent and adequate security is given in respect of the loan. Similarly, before the Treasurer may guarantee or indemnify borrowings by the reserve board for liquidity support, the Treasurer must be satisfied that the money will be on-lent to solvent building societies which will provide adequate security;

(9) the Minister is no longer empowered to give general or specific directions to the reserve board;

(10) the power of the reserve board to give a direction in relation to management systems has been removed;

(11) deposits with the liquidity support fund and the liquidity support levy may be included in a building society's prime assets;

(12) the borrowing powers for the administration levy fund and the general reserve fund have been deleted;

(13) scheme of arrangement provisions are included to allow, inter alia, amalgamation between building societies and corporations under the Companies (Victoria) Code;

(14) an administrator is granted in respect of expenses the same priority on a winding up as a liquidator has;

(15) a new clause has been added to allow the Treasurer to issue, or guarantee or indemnify the issue of, promissory notes to depositors in the Pyramid, Geelong and Countrywide building societies.

I commend the Bill to the House.

Debate adjourned for Hon. HADDON STOREY (East Yarra) on motion of Hon. R. I. Knowles.

Debate adjourned until next day.

COLLINGWOOD (VICTORIA PARK) LAND BILL

Second reading

Hon. M. A. LYSTER (Minister for Local Government)—I move:

That this Bill be now read a second time.

The establishment of the Collingwood Football Club in 1892 was an act of civic pride. The success of the club, which its founders confidently expected, was seen as a way to combat the social inferiority of the municipality. Over the years the club and the municipality have changed greatly, but the emotional bond between the residents and the club has remained strong.

Victoria Park, which is owned by the council, has been Collingwood's home ground from its foundation. While a number of Melbourne's football clubs have moved from the municipalities whose names they bear, the idea of the Magpies leaving their nest is anathema to both the club and the city. But to secure its home the club needs to develop the facilities at the ground to meet the expectations of football followers.

The lease under which Collingwood currently occupies the ground expires in 1996. For some time the club and the city have been negotiating new agreements involving proposals for substantial investment at the ground. The improvements which are contemplated should effectively keep Collingwood at Collingwood for the foreseeable

future and provide significant benefits for the residents of the municipality. There is, however, uncertainty about the council's entitlement to enter into the proposed agreements with the club, owing to a covenant relating to the land.

PURPOSE

The purpose of the Bill is to remove the uncertainty by discharging the covenant and any associated trusts which may encumber the title to the land. The instrument of transfer by which the land was conveyed from private ownership to Collingwood in 1882 covenanted that it would always be used by the council for public resort and recreation and would not be sold to private individuals. As Collingwood Football Club's home ground, Victoria Park has undoubtedly served as a place of resort and recreation for countless numbers of people, particularly Collingwood supporters. If the proposed agreements are satisfactorily concluded, the ground will continue to fulfil that function at an enhanced level.

But there is a legal view that the covenant may be inconsistent with exclusive occupancy of the ground by the club. If that view is correct it would put in jeopardy the planned development of the facilities to the detriment of the club and the people of Collingwood.

Although the covenant may have been essential to protect the public interest a century ago, other means are in place today. To ensure that councils are accountable to their residents and ratepayers the Local Government Act imposes certain requirements on dealings with public assets. Those requirements apply to Collingwood council in relation to Victoria Park and are inadequate means to ensure effective public scrutiny of any proposed changes to the use of the land. The covenant can safely be lifted.

I commend the Bill to the House.

Debate adjourned on motion of Hon. B. A. CHAMBERLAIN (Western).

Debate adjourned until Tuesday, 4 December.

TRANSPORT (ANTI-GRAFFITI) BILL

Second reading

Hon. B. T. PULLEN (Minister for Education)—I move:

That this Bill be now read a second time.

The prime purposes of this Bill are to amend the Transport Act 1983, to introduce new specific offences relating to unlawful graffiti, and to provide for graffiti clean-up programs for graffiti offenders.

THE GRAFFITI PROBLEM

As honourable members are aware, the incidence of unlawful graffiti on trains, stations and other parts of the transport network has been a significant problem for some time.

Approximately $17 million was spent in the 1989–90 financial year on remedial and preventive measures to help control and eliminate graffiti and vandalism. The visible evidence of this expenditure comes in the form of things such as train cleaning, station painting, better fencing and lighting at train stabling yards, video surveillance cameras at those yards and at stations, and education programs.

But there are also hidden costs of graffiti which cannot be quantified. For example, it is virtually impossible to put a cost on the withdrawal of a train from service while it is being cleaned or on such things as possible revenue lost from reduced patronage. An alarming fact which is difficult to translate to dollar terms is that the constant

marking of graffiti and its removal by chemical compounds is effectively reducing the operational life of trains.

All of these costs are ultimately borne by all Victorians. This is an unjustifiable burden which must be removed. Of course the effects of graffiti need to be considered not merely in money terms. Graffiti has obvious human costs for, say, those public transport passengers who are continuously confronted with the unpleasant realities of unlawful graffiti. To travel in a train or stand at a station that has been defaced with paint, inks and a variety of other substances is not conducive to feeling comfortable or secure. There is no doubt that graffiti undermines the public's confidence and pride in the public transport system.

STRATEGY TO REDUCE INCIDENCE OF UNLAWFUL GRAFFITI ON THE PUBLIC TRANSPORT SYSTEM

There are various activities or groups of activities that are associated with graffiti on the public transport system such as the painting of large murals or pieces, "tagging"—the painting of stylised identification marks—through to breaking windows and destroying seats. While some young people might engage in all actions, this would be rare. More often different groups of people are involved in different activities or in one or two activities only.

The government's strategy to reduce the incidence of unlawful graffiti on the public transport system is based on the assumptions that:

1. there are different groups in the community involved in unlawful graffiti, only a small proportion of whom engage in other antisocial acts;

2. different approaches are required. In some cases, as recognised by the Australian Institute of Criminology, legal outlets can help reduce unlawful graffiti. But those engaged in unlawful activities should be directed away from them and punished if they continue to undertake them;

3. unlawful graffiti on the transport system is a community wide issue, perpetrated on what is community property. Therefore a community response is called for.

Initiatives already in place to control unlawful graffiti include:

deployment of vehicle and station cleaners and station painters. Also, there are now improved management information systems in effect to quickly highlight where unlawful graffiti is occurring;

high security fences and closed-circuit television surveillance has been installed in train stabling yards and at a number of suburban locations including stations;

the Public Transport Corporation (PTC) has produced an anti-graffiti video and associated notes to be used in school presentations. In giving presentations to schools, Transit Patrol is now concentrating on students who are at that age just before the average age of children who become involved in graffiti;

community involvement in clean-ups of badly graffitied stations has been piloted by the corporation.

OFFENCES

In pursuing graffiti offenders through the courts it has been clearly established that existing offences are either inadequate or inappropriate. For example, the offence of wilful damage in the Summary Offences Act 1966 is restricted to cases where damage is less than $500. It does not require extensive graffiti damage on, say, a carriage for this figure to be exceeded. Conversely, the offence of criminal damage in the Crimes Act 1958 applies to any graffiti damage, including damage in excess of $500.

Criminal damage is a serious indictable offence which, except in the more serious graffiti cases, is inappropriate for the graffiti problem, particularly as the vast majority of offenders are aged between thirteen and seventeen years of age. In these circumstances a charge of criminal damage is often unsuitable.

Wilful damage and criminal damage are old general catch-all offences and they would have been drafted long before the modern phenomenon of graffiti emerged.

The Bill introduces a new offence known as marking graffiti by injuring, damaging or defacing property of the PTC. The offence will apply where the market cost of repairing or making good the property is less than $5000. This limit should ensure that this offence applies to most offenders, leaving, as indicated previously, only the worst offenders to be charged with criminal damage.

Although the act of unlawfully marking graffiti will normally be self-evident, as when an offender is caught in the commission of the offence, the government wants to provide for situations where lawful graffiti may be permitted on PTC property. The Bill does not prohibit graffiti as an art form or as a legitimate form of expression; it is aimed only against graffiti that is unlawfully applied. Accordingly—and this is consistent with other legislation—an offender will not be prosecuted if he or she can provide a lawful excuse such as where the corporation has allocated an area for lawful graffiti.

In addition to the new offence of unlawfully marking graffiti the Bill introduces two new offences relating to possession of a graffiti implement by a person who is on PTC property. The offence provided in proposed new section 223B (4), which is to be inserted into the Transport Act by clause 3 of the Bill, prohibits possession of a graffiti implement (other than an implement of a prescribed type or class) where the holder has the intention of using it for the purpose of unlawfully marking graffiti on property of the corporation.

To be guilty of this offence it must be proven that the offender had the intention to use the implement to unlawfully mark graffiti on PTC property. The onus of proving intention lies with the prosecution; it is not up to the person to prove that no intention existed. In the government's view this preserves fundamental rights while still establishing a potent offence against graffiti markers. Therefore any person innocently taking home, say, a can of paint or a marker pen will not be mistakenly prosecuted under this Bill.

The government recognises that some graffiti implements such as spray cans may be used much more often than others in marking unlawful graffiti. In these circumstances it may be appropriate to prescribe those implements by regulations and to effectively enable a person holding such an implement to be required to provide a lawful excuse as to why the implement is being carried on PTC property. If no lawful excuse can be made out such a person will be guilty of the offence provided in proposed new section 223B (3).

Prescription of graffiti implements for the purposes of this new offence would be a significant step and, accordingly, extensive consultation is expected to be required before and during the regulatory impact statement process provided for in the Subordinate Legislation Act 1962 for the making of regulations.

In order to target groups or gangs of people who are involved in unlawful graffiti there is specific reference in the Bill to an offence of aiding and abetting. This means that an offender who performs other functions, such as keeping a look-out for the Transit Police, will be equally guilty of unlawfully marking graffiti or possession of graffiti implements with the intent to unlawfully mark graffiti and be subject to the same

penalty as the principal offender. These new offences are equally applicable to adults and minors.

GRAFFITI CLEAN-UP PROGRAMS

When a child offender is brought before the courts this Bill introduces an innovative and constructive sentencing option, whereby the offender can be ordered to participate for a number of hours in a graffiti clean-up program. As part of the program the offender will clean, cover or otherwise make good for the PTC property such as a train or station on which graffiti has been unlawfully marked. The program must be approved and supervised by Community Services Victoria while the training, educational and safety aspects will be organised by the corporation. The maximum number of hours of participation will be 40 over a maximum three-month period and, as with other community service type orders, an offender's participation in the scheme will be subject to his or her consent.

As a sentencing option it will be available where an offender has been placed on a bond, probation or undertaking which usually occurs at the less serious end of the sentencing hierarchy. The key aspect of this program is that the offender will be required to physically assist cleaning up PTC property that has been graffitied. An offender will actually pick up a sponge, brush or other cleaning implement and help remove unlawful graffiti. Honourable members may find it ironic or a form of poetic justice that graffiti offenders may find themselves one day cleaning up their own unlawful graffiti. This program will also make child offenders aware of the negative aspects of unlawful graffiti so that perhaps they may think twice before re-offending.

This Bill is a significant contribution to the government's strategy in combating unlawful graffiti and the government is confident that, together with the other measures that have been outlined and with the public's support, the problem of unlawful graffiti will be overcome. Honourable members will note that the opportunity has been taken in the Bill to also make a number of statute law revision amendments and other miscellaneous amendments to the Transport Act.

I commend the Bill to the House.

Debate adjourned on motion of Hon. W. R. BAXTER (North Eastern).

Debate adjourned until later this day.

FORESTS (TIMBER HARVESTING) BILL

Second reading

For **Hon. B. T. PULLEN** (Minister for Education), Hon. C. J. Hogg (Minister for Health)—I move:

That Bill be now read a second time.

The Bill amends both the Forests Act 1958 and the Conservation, Forests and Lands Act 1987.

The amendment to the Forests Act enshrines in legislation the government's commitment to provide under licence to the timber industry a sustainable supply of hardwood sawlogs, thus assisting the development of a stable and efficient sawmilling industry based on a secure and sustainable sawlog resource.

The amendment to the Conservation, Forests and Lands Act provides for the creation of offences relating to the disruption of authorised timber harvesting operations. These provisions will ensure that, while the right to peaceful protest is retained, protesters

who disrupt lawful timber harvesting operations or related activities or who jeopardise the safety of forest workers or others, will be guilty of an offence.

HARDWOOD SAWLOG SUPPLY PROVISIONS

The provision in legislation of a guarantee of supply of hardwood sawlogs is an integral part of the government's strategy to encourage and assist the development of an environmentally acceptable timber industry. This aim is clearly outlined in the government's timber industry strategy which was adopted with support by all parties.

While the management of native forests and hardwood plantations for timber production is based on the principles of regional sustainable yield and a requirement for a sawlog-driven industry, there has been no legislated guarantee of supply of sawlogs to industry, only the issue of licences to individual sawmillers. Licences guarantee supply for periods up to fifteen years, and provide security of supply to an individual operator. Only when aggregated do they address the overall regional supply situation. A legislated commitment to provide long-term resource security is desirable to engender confidence in the development of a viable industry on which a stable regional economy can be based.

This amendment is designed to provide this long-term resource security, compatible with sound forest management principles. Its main features include:

a requirement for a specified volume of sawlogs to be provided from each of the fifteen forest management areas in the State;

the ability to vary the volume of sawlogs made available each year to allow for either forest-related or industry-related contingencies, provided that the specified total volume is made available over a specified period—in this case fifteen years;

the volume of sawlogs to be made available is based on the estimated sustainable yield, a volume that can be produced each year without impairment of the long-term productivity of the land;

the sustainable yield is to be specified for each forest management area and is subject to periodic review and amendment if required;

amendment to the sustainable yield is to be by Governor in Council, subject to disallowance by Parliament; and

government decisions which impact significantly on the area of forest available for wood production will be required to take into account the impact on the sustainable yield.

ANTI-DISRUPTION PROVISIONS

Lawful timber harvesting operations have on occasion been disrupted, obstructed or hindered by the physical presence and activities of persons who wish to express their disenchantment with those operations.

While the right to protest peacefully is not in question, there is concern throughout the community that some protests take the form of confrontation and deliberate physical disruption of lawful, authorised activities. This can result in danger to operational personnel, the protestors themselves or the general public. Such activities cannot be tolerated in a truly democratic society. However, at present there appears to be inadequate provision available to remove from the site of operations persons disrupting, obstructing or hindering forest operations.

This amendment makes such provision by the creation of a new and separate offence with appropriate penalty where a person obstructs or hinders lawful timber harvesting

operations or activities preparatory or ancillary to those operations, such as road construction activities.

People who wish to protest may do so, but if other persons, having heard the protest, wish to continue their lawful activities then they should be able to do so without encountering circumstances likely to cause severe physical risks to either or both parties.

CONCLUSION

This is a small but important Bill. It contains important provisions for the effective management of native forests for timber production for a major decentralised industry, the hardwood sawmilling industry.

I commend the Bill to the House.

Debate adjourned for Hon. M. A. BIRRELL (East Yarra) on motion of Hon. R. I. Knowles.

Debate adjourned until later this day.

WESTERNPORT (OIL REFINERY) LAND BILL

For **Hon. B. T. PULLEN** (Minister for Education), Hon. C. J. Hogg (Minister for Health)—I move:

That this Bill be now read a second time.

In 1963, the State and BP Refinery (Westernport) Pty Ltd entered into an agreement, ratified by the Westernport (Oil Refinery) Act 1963, which provided for the establishment of a refinery at Crib Point, the construction of certain pipelines and associated government infrastructure.

Honourable members should be informed that the prime purpose of the agreement and the Act was to enable the establishment of that refinery and its operation. This is quite clear in the preamble to the agreement. Contained in the agreement are specific obligations incumbent upon both BP Australia Ltd (as the company is now known) and the State of Victoria. However, it must be noted, and this is probably a reflection of the circumstances prevailing at the time, that the agreement struck was certainly a favourable one from the company's point of view.

Looking at relevant details of the agreement, it is particularly relevant to this Bill to note that clause 4 (*d*) provides that the State shall grant to the company an easement, lease or licence over an area selected by the company of a specified width over certain Crown land situated between the refinery site and the waters of Western Port so as to provide an area for the company to construct and operate jetties and other structures.

By a document called a "grant of easement", dated 16 January 1968 and made between the Governor in Council (on behalf of the Crown) and the company, Crown land at Crib Point became subject to an easement for the construction and operation of a jetty as envisaged by clause 4 (*d*) of the agreement. The easement is more commonly known as the jetty easement. It must be noted that this document is still in force and therefore this easement granted to BP by the State is still in existence.

In February 1984 due to economic considerations BP Australia Ltd advised the government that it intended to close the Crib Point refinery. As a consequence of this the government and BP entered into a further agreement in 1985 which was ratified by the Westernport (Oil Refinery) (Further Agreement) Act 1985.

This Act amended the original agreement in a number of respects. In particular the Act relieved BP of its obligations under clause 3 (*a*) of the agreement to maintain, operate and use the refinery. Also other obligations of the company were waived as of 31 December 1989. These related to non-refinery activities associated with the use of the jetty easement and another easement commonly known as the pipeline easement. The date cited is significant as it relates to the cessation of an agreement BP had entered into with Esso–BHP concerning the use of the jetty and pipeline easements. Overall the 1985 Act and agreement amended the 1963 agreement so that it became less onerous on BP and in fact conferred extra benefits on it. However, State obligations became no less burdensome.

We now come to consider the present situation at Western Port, especially as it relates to the jetty easement site. There has now emerged an exciting opportunity for the jetty easement site at Crib Point to be used by an industry which has both substantial growth and export potential and which could return significant economic benefits to the Western Port region and the State.

A company called Marshall Lethlean Industries Pty Ltd has obtained the Victorian licence from International Catamarans, Tasmania, to construct large wave-piercing passenger and vehicle carrying catamarans. After considering all other sites within Victoria, Marshall Lethlean on behalf of its subsidiary Fisher Alufarm Pty Ltd has expressed its views that the best site for its purposes is the Crib Point jetty easement site at Western Port.

Naturally there is considerable concern at local, regional and State level that this export-orientated industry must, as far as possible, be encouraged to locate at its preferred site and not establish itself in another State. Honourable members will be keen to hear that this project proposed by Marshall Lethlean will create employment for around 100 skilled and semiskilled workers and should generate considerable export income for an Australian-owned company. Estimated export income from the project is in the vicinity of $10 million for the first year of operations.

The government is anxious to secure this project for Western Port and Victoria because of the many expected benefits which are expected to accrue from its establishment and operations. At the same time, the government must ensure that secure and stable tenure should be able to be offered to Fisher Alufarm Pty Ltd.

With these considerations in mind, the government has determined that it is appropriate in the proper and best interests of the State for the Crib Point jetty easement to be removed and for the site to be deemed to be unalienated land of the Crown. It must be recalled that the jetty easement site is no longer used by BP for the purposes of a refinery operation as that operation has now ceased. Furthermore, BP's use of the easement in fulfilling non-refinery activities under contract with Esso–BHP have now ceased. Accordingly, the State considers that it should no longer be obligated to BP in respect of the jetty easement site, except in relation to pipelines on or under the land. Recent events support the government's desire to ensure that the proposed catamaran project and indeed any other commercial development on the jetty easement site are handled as smoothly as possible.

This is an important Bill. The House will share the sentiment that new export-orientated industries must, wherever possible, be encouraged. The Bill is intended to achieve that purpose in the most satisfactory way in this case.

I commend the Bill to the House.

Debate adjourned on motion of Hon. W. R. BAXTER (North Eastern).

Debate adjourned until later this day.

LA TROBE UNIVERSITY (BENDIGO AND WODONGA) BILL

Second reading

For **Hon. B. T. PULLEN** (Minister for Education), Hon. C. J. Hogg (Minister for Health)—I move:

That this Bill be now read a second time.

PURPOSE

The purpose of this Bill is to establish La Trobe University College of Northern Victoria and incorporate into it the current Bendigo College of Advanced Education, and to merge Wodonga Institute of Tertiary Education with La Trobe University. These actions will substantially strengthen arrangements for the delivery of higher education throughout northern Victoria. The expanded university will make a major contribution to the community through strong undergraduate programs and postgraduate studies and research.

THE EXISTING INSTITUTIONS

La Trobe University is widely recognised as one of Australia's major universities with a national and international reputation for research and teaching. It has recently completed an amalgamation with Lincoln Institute which is now established as a school of health sciences within the university. This has broadened its academic profile by including an additional important professional area, and the merger and affiliation provided through this Bill will add further depth and diversification to its programs. The university has 13 944 full and part-time students and operates from campuses in Bundoora, Carlton and Abbotsford.

Bendigo College of Advanced Education was established in 1976 through the merger of Bendigo Institute of Technology and the State College of Victoria at Bendigo. It has a long history beginning with the Bendigo School of Mines and Industries founded in 1873 and has continued to serve the Bendigo and surrounding areas since that time. The college currently has 3584 students and offers important undergraduate and postgraduate programs through faculties of arts, business, education, health sciences and science and engineering.

Wodonga Institute of Tertiary Education was established in 1987 to provide tertiary education programs in the Albury-Wodonga area. It has made an important contribution in that area since that time with programs in nursing, education, business studies and arts. The institute currently has 506 students. The institute affiliated with La Trobe University in August this year as a preliminary step towards full amalgamation.

NATURE OF MERGED INSTITUTE

This Bill will establish the La Trobe University College of Northern Victoria as a college of the university with sufficient local autonomy in management and program development to respond rapidly and flexibly to the needs of communities in northern Victoria. It will have the capacity to own assets and employ staff who will be enrolled as staff of the university and will continue to provide programs through extended campus operations in a number of regional locations.

The Albury-Wodonga campus will be fully integrated into the university but will have a regional board to advise the university council on regional matters and an academic committee to provide a forum in which representatives of divisions and departments will be able to assess the impact of new academic developments and provide advice to relevant boards of studies.

The expanded La Trobe University will have many purposes which are interrelated, but which will continue to be encompassed within these five missions:

(i) to promote the scholarly acquisition of knowledge through research and postgraduate research education in fields of study selected for demonstrable excellence or desirable development;

(ii) to promote the scholarly transmission of knowledge in a wide range of disciplines through the establishment of high quality undergraduate and postgraduate programs that emphasise and reflect the high value the university places on teaching;

(iii) to promote the application of knowledge through the establishment of high quality professional education programs at undergraduate and postgraduate levels;

(iv) to promote access to knowledge through the provision of appropriately accredited continuing and other education programs;

(v) to promote interaction between the community and the university through the provision of consultative services, through jointly planned, accredited and implemented educational programs with industry and other community agencies and through the presentation of cultural and artistic events.

The planned expansion and diversification of the university's activities will take place within the framework of a commitment to the preservation and enhancement of the essential features of a university as internationally accepted, including research, teaching informed by research, and professional training at an appropriate level.

PLANNING PROCESS

The process of planning for these new arrangements has involved extensive consultation with the community and with the institutions involved. Bilateral planning committees with staff and student representation have met on a number of occasions and developed heads of agreement which have been adopted by the councils. These agreements have formed the basis for this legislation. The proposals by the institutions to come together in this way have been assessed by the Higher Education Consultative Committee in relation to educational criteria used in considering all higher education amalgamation proposals, and have been endorsed.

Under the proposed arrangements the rights of staff and students will be fully protected. Staff employed by the existing institutions immediately prior to the appointed day will become staff of the university, employed either by the college or the university with terms and conditions no less favourable than those of their current appointments. Regulations governing academic programs will continue in effect and students completing those programs will receive their awards under the authority of the La Trobe University council.

MAJOR PROVISIONS OF THE BILL

Part 1 of the Bill sets out its purposes, provides for its implementation and provides definitions.

Part 2 provides for the establishment of the La Trobe University College of Northern Victoria and its council and operations.

Part 3 provides for the dissolution of Bendigo College of Advanced Education and its incorporation within the La Trobe University College of Northern Victoria.

Part 4 provides for the merger of Wodonga Institute of Tertiary Education with La Trobe. Part 5 provides for amendments of the principal Act. Part 6 provides for

statute law revisions to the principal Act. Part 7 makes transitional provision for a first college council.

CONCLUSION

The Bill provides for a major initiative to strengthen delivery of higher education in Northern Victoria. It will have clear benefits for each of the institutions involved and will substantially increase their contribution to education and regional development. It will allow the expanded institution to build on the existing strengths and commitments of the existing institutions to provide a wider range of high quality teaching and research programs for people in Northern Victoria and strengthen the university in its contributions to the national and international community.

I commend the Bill to the House.

Debate adjourned on motion of Hon. HADDON STOREY (East Yarra).

Debate adjourned until later this day.

WILDLIFE (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. C. J. Hogg for Hon. B. T. PULLEN (Minister for Education).

ADJOURNMENT OF BILLS

Hon. R. I. KNOWLES (Ballarat)—I move:

That so much of the Order of the Council of 5 September 1990, as amended on 14 November 1990, providing for the adjournment of debate until 1991 on Bills introduced or received after 22 November 1990 be suspended as would prevent the Wildlife (Amendment) Bill being taken through all stages during the present sittings.

Motion agreed to.

HEALTH SERVICES (CONCILIATION AND REVIEW) (AMENDMENT) BILL

Second reading

Hon. C. J. HOGG (Minister for Health)—I move:

That this Bill be now read a second time.

The aim of what is now the Health Services (Conciliation and Review) Act 1987 is to provide Victorians with an independent and accessible mechanism for dealing with complaints about health services.

Among other things, the Act provides for the appointment of a Health Services Commissioner who is sometimes described as the health ombudsman. The role of the commissioner involves conciliating, investigating and resolving complaints relating to health care.

The Act also constitutes a Health Services Review Council. The council consists of three members who represent the interests of providers, three who represent consumers,

and three who are affiliated with neither. Its major function is to advise the Minister on the health complaints system and the operations of the commissioner.

Honourable members will recall that Parliament enacted the legislation with a sunset clause which operates on 23 March 1991. The purpose of the Bill is to repeal that clause so that the Act continues in operation after that date.

The reason for including a sunset clause was to give Parliament the opportunity of reviewing the Act, the powers of the commissioner, and the role of his or her office, after some experience had been gained of what, in many ways, is pioneering legislation. With this in mind, it is incumbent upon me to report briefly to the House on the way the Act has been administered since its commencement.

The first Health Services Commissioner to be appointed by the Governor in Council was, of course, Dr Ian Siggins. Advice given to me is that, in the two years following Dr Siggins's appointment, more than 6300 inquiries or matters were dealt with by the office of the commissioner. Of these, just over 2700 were classified as health complaints.

Most—55 per cent—related to individual practitioners; another 24 per cent were against public hospitals, 5 per cent against private hospitals and 16 per cent against ancillary services. The great majority of complaints were finalised at a relatively early stage with only a small number needing to proceed to conciliation or investigation.

A study commissioned by the Health Services Review Council in anticipation of this Bill, and undertaken by MSJ Keys Young, has shown a high degree of approval or acceptance of the commissioner among both users and providers. Similarly, consultation with interest groups revealed a high level of acceptance and support for the legislation and for the way in which it had been implemented.

The consultants comment that:

> Given the range of conflicting interests which the (commissioner) must attempt to deal with (his) success in building credibility among service users and service providers in only two years was described by a number of informants as "remarkable".

The major recommendations of MSJ Keys Young, which has been supported unanimously by the council, is that the sunset clause should be repealed. This recommendation has been accepted by the government and is the basis for the Bill.

There is no doubt that the need for legislation establishing a Health Services Commissioner has been vindicated, and that the commissioner is making a major contribution, not only in assisting consumers and providers to resolve complaints about health services, but also in enhancing the responsiveness of the health care system to complaints.

I take this opportunity to mention that the commissioner has recommended a number of amendments to clarify, and to improve the operation of, the enabling Act. It is the intention of the government to submit those amendments to the Parliament in separate legislation.

On this note, I commend the Bill to the House.

Hon. M. T. TEHAN (Central Highlands)—The Liberal and National parties will support the legislation. This is a small Bill, consisting of only three clauses. As the Minister said in her second-reading speech, it removes a sunset provision—section 36 of the Health Services (Conciliation and Review) Act 1987. When the first Act was introduced there was some concern within the community and the various health interests and representatives as to what effect, as the Minister described it, this fairly forward looking legislation would have and whether it would create more problems than it was anticipated would be solved.

The Opposition has consulted with the major industry groups, I have been briefed on how the legislation has worked in the past and have spoken with Dr Siggins. There is no doubt in our minds that the Health Services Commissioner is doing worthwhile work, and for that reason we support the Bill.

The legislation required an evaluation of the Health Services (Conciliation and Review) Act. That evaluation was prepared for the Health Services Review Council by MSJ Keys Young. The executive summary and recommendations of the evaluation definitively state that the responses to a survey of service users and providers on the attitudes to the legislation and the reputation of the Health Services Commissioner have all been extremely positive. The report states:

> Records maintained by the Health Services Commissioner show that between March 1988 and March 1990 his office dealt with a total of 6324 inquiries or matters raised by members of the public. Of these, 2739 (43 per cent) were classified as health complaints. In terms of subject matter the largest categories of complaints were those concerning treatment (37 per cent) and costs (20 per cent).
>
> During the first two years of HSC operation some 55 per cent of all health complaints were lodged against individual practitioners, some 24 per cent against public hospitals, 5 per cent against private hospitals . . .

It is interesting that those statistics relate to the ability of the Health Services Commissioner and his staff to be able to settle disputes before they become major. Even for members of Parliament it is a useful device to be able to refer problems that are sensitive and may take considerable time to resolve for both the member and the agencies involved to the commissioner.

When I sought comment, and I did so from the Australian Medical Association, which is wholeheartedly supportive of the legislation, and the Victorian Hospitals Association, which similarly has no difficulty with the sunset clause being removed, on every second occasion mention was made of the outstanding work of Dr Ian Siggins in his role as the Health Services Commissioner. It is probably because of the input to, dedication and attitude of Dr Ian Siggins that we are able unequivocally to remove the sunset clause.

A recent edition of *Health Victoria*, a publication by Health Department Victoria, includes a one-page article on Dr Siggins. Dr Siggins is not a doctor of medicine but an historian. He suggested to me that his background gives him a perspective plus an objectivity that adds to his ability to perform the function that he has so ably undertaken. The publication states:

> "My historical training is very apt—it taught me to sift through evidence and to look at things from a number of points of view," Dr Siggins said.
>
> He is proud of what his office has achieved: "In other States litigation (against health providers) is increasing, but not in Victoria. This is an alternative to litigation.
>
> "I think it is one of the most effective mechanisms of its kind anywhere is the world."

It also states:

> Most routine complaints are resolved by establishing communication between the user and the provider. Dr Siggins said the general quality of clinical care was very high.

The need for communication is often the basis of health complaints. The article continues:

> Dr Siggins said the service evolved from a "confrontationalist body" to a conciliator early in its life.

They are the key words. What was anticipated as a process that would perhaps aggravate a confrontationist way of dealing with complaints or increase the number of complaints by establishing a complaints service with an unbalanced approach has not happened, and the review certainly found that to be the case.

Having referred to the views of the Victorian Hospital Association and the AMA I shall quote a letter from the Wodonga and District Health Council, a group a long way from Melbourne. The letter dated 9 November 1990 to Mr Lou Lieberman, the honourable member for Benambra in another place, states:

> The committee of the DHC urge you to support the re-enactment of the above Act which has a sunset clause in section 36 for March 1991. We understand it is coming up in the next parliamentary session.
>
> Our experience with the Office of the Health Services Commissioner (HSC) and the reports from local consumers, indicate that there is a great need for this office to continue . . .
>
> In June 1990 an independent evaluation of the Health Services (Conciliation and Review) Act was commissioned by the Health Services Review Council. The following points were made:
>
> > the great majority of health complaints were finalised at a relatively early stage, with only a few proceeding to either conciliation or investigation;
> >
> > there is a high degree of approval or acceptance of the HSC among both users and providers;
> >
> > there is widespread community support for its continuation.
>
> Any assistance that you can give to ensure that this Act is re-enacted would be appreciated.

The council basically represents consumers. If the legislation is favourably regarded by providers, the major hospital groups, the Australian Medical Association, and bodies speaking for consumers, to my mind it is worth continuing.

The Opposition's health committee considered the possibility of a further sunset clause or a review at some time by the Public Bodies Review Committee but, on balance, we consider there is now a need for a consumer approach and consumer input to decision making, and certainly a means of being able to conciliate and monitor complaints about health services. Speaking from the point of view of a member of Parliament the commissioner can provide valuable services in addressing many of the problems that arise. It seems that the legislation was right in the beginning. It was proper to have this review taking place over the past three years. Having read the review report and having received input from the various bodies that have been involved with the review and the Health Services Commissioner, the Opposition has no problem in supporting this legislation.

Motion agreed to.

Read second time.

Third reading

Hon. C. J. HOGG (Minister for Health)—By leave, I move:

> That this Bill be now read a third time.

In so doing I thank Mrs Tehan for the contribution she made to the debate today, and also for the enthusiasm and unswerving support she has given to the small piece of legislation, which will result in the continuation of the services by Dr Ian Siggins in his present capacity. As Mrs Tehan said, that work was welcomed at the time the office was established although there was some unease as to whether such an office would work as well as it has. It has worked out splendidly and I thank all honourable members for the confidence and enthusiasm they have expressed for this legislation.

Motion agreed to.

Bill read third time.

WILDLIFE (AMENDMENT) BILL

Second reading

For **Hon. B. T. PULLEN** (Minister for Education), Hon. C. J. Hogg (Minister for Health)—I move:

That this Bill be now read a second time.

PURPOSE

The Bill proposes amendments to the Wildlife Act 1975 to simplify wildlife licensing provisions and rectify current inadequacies in the Act which relate to possession and trade of wildlife in Victoria.

These amendments will provide the foundation for the development and implementation of a revised wildlife licensing system and, for the first time, provide the Director-General of Conservation and Environment with the power to control the movement of wildlife in and out of Victoria.

The amendments will not impede legitimate possession and trade of wildlife in Victoria but will strengthen the legislative basis for detection and prevention of illegal activities.

BACKGROUND

The primary purpose of a wildlife licensing system is for the protection of wild populations. Licensing the possession, trade and movement of wildlife provides a mechanism which allows the government to monitor these activities and to ensure that wildlife from illegal sources does not enter private or commercial trade. It is important that this objective is appreciated. The link between licensing captive stock and the protection of wild stocks is not always clearly understood.

By licensing persons involved in the possession and trade of wildlife and requiring those persons to be accountable the government has the mechanism to monitor the source and movement of wildlife and protect against illegitimate acquisition or disposal of indigenous fauna.

Without these controls on possession and trade, the potential exists for wildlife to be taken unlawfully from the wild for commercial gain without any mechanism for detection. Unlawful actions may range from the removal of eggs or dependent young from the nest to the inclusion of illegally shot kangaroo meat in consignments of kangaroo products from interstate. These activities may have a marked and detrimental impact on wild stocks, particularly if rare or endangered species are involved. There have been cases where illegal activities have significantly affected wild populations on a local basis.

A successful licensing system requires appropriate legislation and appropriate administrative systems in order to achieve its objectives. It must provide for legitimate possession and trade while including sufficient checks and balances to protect stocks of native fauna in the wild.

NEED FOR LEGISLATION

The current wildlife licensing system was introduced in 1980, five years after the proclamation of the Wildlife Act 1975, which provides for possession and trade of wildlife for commercial and private purposes. There are seventeen different licence categories in the Act which cover a range of activities conducted by private wildlife fanciers, wildlife dealers, wildlife processors, taxidermists, wildlife parks, and so on.

Approximately 8500 persons are authorised under the wildlife licensing provisions of the Wildlife Act to keep birds, mammals and reptiles. However, since its introduction,

the current licensing system has become progressively more complex and difficult to administer, presenting difficulties for the Department of Conservation and Environment, licensees and other interested parties. These difficulties have arisen due to a combination of administrative problems, legislative inadequacies and High Court interpretations of section 92 of the Constitution, as it relates to interstate trade in wildlife.

The current licence categories include a complex system of endorsements for numbers and species which are difficult to understand and time-consuming to administer. These have contributed to the present situation and are a source of frustration for many licensees. These problems were further exacerbated by having the licence categories and entitlements specified in the Act which did not afford flexibility in addressing these problems.

This situation led to widespread criticism of the present wildlife licensing system. This criticism included allegations that, because of a lack of sufficient controls, Victoria was becoming a centre for the distribution of illegally obtained wildlife. That is, the system was not achieving its objectives of protecting wild stocks.

As a result of this, in April 1987, the previous Minister for Conservation, Forests and Lands initiated a review of wildlife possession and trade. The aim of this review was to produce a revised wildlife licensing system which is less complex to administer or understand, which protects wild populations of animals and which provides for the legal possession and trade of wildlife in Victoria.

That review, which involved an extensive public consultation process, identified a number of areas which require legislative amendments. The amendments put forward in this Bill will provide flexibility within the licensing system, permitting the system to be progressively modified in the future, to accommodate changing community attitudes and changing conservation status of wildlife species. The amendments will also provide the department with the necessary mechanisms for monitoring wildlife possession, trade and movement in Victoria.

DEVELOPMENT OF THE LEGISLATION

An important aspect of the review process was the consultation with both government and private parties in Victoria and interstate. There have been two rounds of public consultation to date, and many of the submissions received have been of great value in clarifying contentious issues and proposing appropriate action.

After the first round of consultation, a report was prepared and circulated to all persons who had made written or verbal submissions. Further input as a result of this report has been incorporated into the final review document.

CONTENTS OF THE BILL

The amendments proposed in this Bill rectify the legislative inadequacies identified by the wildlife possession and trade review and introduce flexibility in prescribing licence categories and entitlements.

The amendments will remove from the Act reference to specific licence categories and establish a head of power for the director-general to issue wildlife licences for commercial or private purposes. Actual licence categories will be prescribed by regulation and will be subject to conditions, limitations and restrictions. These regulations will be subject to the regulatory impact statement process. This will resolve the problem of having redundant licence categories in the Act which the department has to continue to administer or having to amend primary legislation in order to implement new licences.

One of the major shortcomings of the present wildlife licensing system is the inability of the Department of Conservation and Environment to adequately monitor the movement of wildlife in and out of this State. The Bill provides for the establishment of an import-export authorisation system. The implementation of such a system has the support of conservation agencies in other States and Territories and will not operate to impede the movement of lawfully acquired and held wildlife. Persons holding wildlife will be required to apply to the Department of Conservation and Environment for approval to move wildlife in or out of this State. This will provide the department with the opportunity to ensure that stock has been legally acquired and held in the State of origin.

The penalties in the Wildlife Act were largely set in 1975. These will be amended to reflect the conservation status of species and to provide a deterrent based on current market values of the particular wildlife species. For example, many bird and reptile species may be valued at up to several thousand dollars. Penalties for illegal taking and trading must provide sufficient disincentive to deter such activities and accordingly protect wild stocks. The penalties will also be converted to penalty units.

The amendments will make it clear that to "take from the wild" without a specific authority from the director-general is an offence; currently this is not clearly stated in the Act. The amendments will also make it an offence to be in possession of wildlife taken illegally whether in this State or in another State or Territory, even if the person holding such wildlife is licensed to hold that species in Victoria. Again, this will strengthen the department's ability to protect wild stocks of wildlife.

The Bill includes provision for appeals against decisions by the director-general to be made to the Administrative Appeals Tribunal instead of the Minister as at present.

To achieve the objectives of the new licensing arrangements the definition of wildlife will be expanded by the inclusion of reference to skeletal material and tissue (such as internal organs). There will be ample provision for further public input to the finalisation of the licence categories and entitlements during the regulatory impact statement phase.

CONCLUSION

These amendments to the Wildlife Act will provide the necessary framework to implement and administer a new wildlife licensing system for both private and commercial purposes. The amendments represent a significant improvement over the current system and will enable effective control over the trade, possession and movement of wildlife to ensure the protection of wild populations of birds, mammals and reptiles.

I commend the Bill to the House.

Debate adjourned for Hon. M. A. BIRRELL (East Yarra) on motion of Hon. R. I. Knowles.

Debate adjourned until later this day.

DENTISTS (AMENDMENT) BILL

Second reading

Debate resumed from 14 November; motion of Hon. C. J. HOGG (Minister for Health).

Hon. M. T. TEHAN (Central Highlands)—This is a small Bill, a housekeeping or technical Bill, that will not be opposed by the Opposition. It contains a series of small amending clauses that can best be described as housekeeping measures. From our

consultations with interested parties we have found no objection to the Bill in its current form although I foreshadow one small amendment.

The dentists and dental services of Victoria do not come under a great deal of public scrutiny nor do they need to because on the whole Victoria is well served by the dental profession. Many children and teenagers would not count dentists among their best friends but those people are not of the numbers they were in my day. Without putting any specification on what "my day" means, in my day one went to the dentist a lot more frequently than children go today and one needed more dental attention. One had to have fillings and drillings and all manner of things that filled most children with horror.

One of the great advances of the past twenty years, shall we say conservatively, is that mainly with the advent of fluoride and certainly with the increased understanding of dental nutrition and dental care and hygiene and with the active work of dentists in encouraging better dental practices, we do not have that same fear of dental practice nor the same need for general and urgent dental attention as was the wont some years ago. Nonetheless dental services are very important in that they contribute significantly to the quality of life by their avoidance of pain and discomfort and disfigurement, and they prevent nutritional deficits and impaired social function.

A dentist has been kind enough to give me some interesting statistics involving some briefings on the work of dentists in Victoria. They are worth placing on the record and it is unfortunate that they are somewhat old now but, in 1983, 1.641 million days were lost in the work force due to strikes, and that was only 46 per cent more than the number of days taken off due to dental disease.

I would say that the number of days lost in Australia and certainly in Victoria due to strikes would have increased in recent times but I hope the number of days lost due to dental disease has decreased. Nonetheless the statistic gives an indication of the time taken off from productive work for people suffering from dental disease.

Back in 1983 it was estimated that dental problems cost the Australian community approximately $81 million in lost productivity. It is obviously important that we continue to have a professional, capable and committed profession of dentists, and I have no doubt that that is the case in Victoria.

A dentist is a person licensed to practise dentistry under the laws of the appropriate State or Territory. He is responsible for the diagnosis, the prevention and the control of diseases of the oral cavity and the treatment of unfavourable conditions resulting from these diseases, from trauma or from inherent malformations. Dentists are legally entitled to treat patients independently, to prescribe drugs appropriate to dental treatment and to employ and supervise auxiliary personnel.

The Bill will be seeking a technical change to the provisions in the Act dealing with the Specialist Practitioners Qualification Committee. Appointments to the Specialist Practitioners Qualification Committee will be by the Governor in Council, but the chairman of that committee shall be the President for the time being of the Dental Board. The chairman of the committee will be chairman by virtue of his or her presidency of the Dental Board. The Specialist Dental Practitioners Qualifications Committee oversees six specialist areas of dental practice. Those branches of dentistry, which are recognised by the Dental Board of Victoria are orthodontics, oral surgery, periodontics, endodontics, prosthodontics and paediatric dentistry. In Victoria at present we are well served by specialists in each of those categories.

I have written to the Victorian branch of the Australian Dental Association in relation to the Bill and have conferred with the Dental Board of Victoria. Because a provision relating to the qualifications of dentists is already in existence I also asked for a

comment from the Dean of the Faculty of Medicine and Dentistry at the University of Melbourne. On each occasion they supported the Bill.

Clause 7 of the Bill relates to the qualifications required for the practice of dentistry in Victoria. Subclause (*a*) amends section 17 of the Dentists Act 1972 by omitting the words "has attained the age of 21 years". Therefore, if a young person is bright enough to have completed the requirements for the examination in the prescribed form he or she can, of course, practise the profession of dentistry. Previously such a person would have been precluded solely because he or she was not 21 years of age.

Subclause (*b*), which relates to the opportunity to practise as a dentist, removes two criteria in section 17, which require that a person:

(*a*) has passed the examinations for the degree of Bachelor of Dental Science of the University of Melbourne or for any corresponding degree of any other university in Victoria; and

(*b*) is entitled pursuant to the express provisions of this Act to be registered as a dentist.

and substitutes:

(*a*) has passed the examinations for a prescribed qualification from a prescribed university in Victoria . . .

The effect is that the Dental Board itself sets down the requirements for the practice of dentistry in Victoria, which brings the Dentists Act into line with other health registration Acts.

It was on that clause only that I wrote to the University of Melbourne. The reply of 23 November 1990 states in part:

Thank you very much for sending me a copy of the Dentists (Amendment) Bill and second-reading notes.

I have consulted with Professor Clive Wright, the Head of the School of Dental Science in this Faculty, who has read this material with interest. He sees no problems with it. He notes that the Dentists Act 1972 must be reviewed by the end of 1992 and has indicated that it will be very important for us to be involved in this review at the approriate time.

Thank you once again.

The University of Melbourne and the Australian Dental Association both consent to the changes made by the Bill and support it.

Clause 8 refers to temporary registration and allows for fixed fees to cover the cost to the board of issuing temporary certificates of registration.

Clause 9 has some substance in that it amends section 25 of the principal Act and broadens the opportunity for the board to discipline members of the dental profession. Under section 25 (1) (*b*) as it presently stands the board can look to take disciplinary action against the dentist who:

has been guilty in connexion with the conduct of dental practice of any dishonest fraudulent or immoral conduct.

It is suggested that that does not sufficiently cover all circumstances. The examples given in the second-reading speech include intimidation of a patient or addiction to drugs, and it seems appropriate that there be a more specific reference in the Act to these particular offences. The Bill substitutes for section 25 (1) (*b*) the words:

(*b*) has been guilty in Victoria or elsewhere of professional misconduct; or

(*ba*) is dependent upon, habituated, or addicted to a drug of dependence within the meaning of section 4 of the Drugs, Poisons and Controlled Substances Act 1981 or is repeatedly intoxicated.

The second effect of clause 9 is that there will be inserted in section 25 of the principal Act an additional power for the Dental Board to discipline or take action against dentists who transgress in the ways contemplated by the section and the amendments.

At present, under section 25 of the Act, the board has power only to firstly, reprimand a person; secondly, impose a fine; thirdly, suspend the registration; or, fourthly, cancel

the registration of a person. The amendment in clause 9 (2) inserts a new paragraph (ii) (*a*) to "impose . . . conditions, limitations or restrictions as the Board determines". That gives the Dental Board more flexibility to take action that is appropriate in the circumstances.

However, it has been put to me by the Australian Dental Association—and I now foreshadow a minor amendment—that it will be consistent with the other clauses under "offences and penalties" for the insertion to impose restrictions, conditions or limitations on a person's practice to be subject to a review. The Vice-President of the Australian Dental Association, Roger Newbury—and I should add, from personal experience, that he is an excellent practising dentist——

Honourable members interjecting.

Hon. M. T. TEHAN—He is available to members of Parliament who like to be treated quickly and painlessly early in the morning. He practises only a short distance from Parliament House.

The letter from the Australian Dental Association indicates that the amendment is necessary because is seems most other penalties have a maximum limit defined in the Act; for example, "suspension" has a maximum period of one year. The new penalty of "restriction to practice" should be reviewed after a maximum of one year.

That seems a sensible amendment. It would be in the best interests of the board and in the interests of the profession to have that ability to review and to ensure that if the offence has been disregarded or if the problem no longer exists there is an opportunity for those conditions that have been imposed on the registration of that person to be reviewed. I foreshadow that minor amendment.

Clause 12 relates to the President of the Dental Board; he is the ex-officio Chairman of the Specialist Practitioners Qualification Committee. Clause 14 contains a minor amendment under the provision relevant to "dental auxiliaries". It is worth noting that "dental auxiliaries" are persons who assist the dentist to treat patients. They include dental assistant—such as a dental nurse; a school dental therapist; a dental hygienist; a dental technician; and an advanced dental technician. Each of those categories has a special role to play in assisting dentists or in doing works that are associated with the practice of dental hygiene or other dental work.

The Bill proposes that each of the dental auxiliaries be treated in the same form and be licensed by the board providing the board is satisfied that the person seeking a licence has adequate training and experience, and has completed the prescribed course of training and passed the prescribed examinations. Prior to this amendment, school dental therapists had to meet an additional requirement; it was considered the requirement was unnecessary and somewhat discriminatory.

Subject only to the amendment to be moved in the Committee stage, the Opposition does not oppose the Bill and, in conclusion, again indicates the high regard in which the profession is held in the community; also, it acknowledges the lack of problems currently existing in the dental profession, and the excellent service dentists give to the public of Victoria.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. C. J. HOGG (Minister for Health)—I thank Mrs Tehan for the enthusiastic support she has given to this legislation and I foreshadow that the government will welcome the amendment she intends to move.

Clause agreed to; clauses 3 to 6 agreed to.

Clause 7

Hon. R. J. LONG (Gippsland)—I ask the Minister for Health to explain the reason for the change in clause 7, bearing in mind that, as I understand it, at present a person has to pass the examinations for the degree of Bachelor of Dental Science at the University of Melbourne to become a dentist. It appears that the Bill is attempting to replace that with an expression "that has passed the examinations for a prescribed qualification from a prescribed university in Victoria".

My objection is that Parliament would be handing over the prescription of standards for dentists in Victoria. That would be passed to the Governor in Council, who will make regulations for that purpose.

To illustrate my objection: as most honourable members know, I hold a degree in law from Melbourne University and have practised law for more than 23 years. Recently—in pursuit of knowledge, I must say—I sought to obtain an estate agents licence. I was told that my qualification was insufficient and that I had to undergo a course in business studies if I wished to become an estate agent.

My quarrel is that if I wish to become involved in an estate agents business, it is my responsibility and not that of the State whether I have the business acumen to do that. I am worried whether we are heading in the same direction because I have no doubt that the prescription of the qualification will be influenced heavily by the Dental Board.

Five of the seven members of the Dental Board are dentists. I am beginning to wonder whether Parliament is losing control over these matters and is handing them to someone else because they are too difficult. I shall be interested to hear from the Minister for Health on why the Bill is heading in that direction.

Hon. C. J. HOGG (Minister for Health)—I am advised Parliament is not losing sight of the principles Mr Long has directed attention to and that the provision is in line with what happens with other boards with regard to qualifications. I am assured it is a reasonable provision.

Hon. R. I. KNOWLES (Ballarat)—I do not want to make life difficult for the Minister, but the present Act provides that a person is entitled to be registered as a dentist when that person:

(*a*) has passed the examinations for the degree of Bachelor of Dental Science of the University of Melbourne or for any corresponding degree of any other university in Victoria;

(*b*) is entitled pursuant to the express provisions of this Act to be registered as a dentist;

(*c*) has gone through such course of study and professional practice and training and passed such examinations before the Board or examiners appointed by the Board and has obtained from the Board a certificate of fitness or a diploma to practise dental surgery or dentistry; or

(*d*) is the holder of a prescribed qualification from an institution or body outside Victoria—

That is a comprehensive list, and Mr Long's point is valid. What is the justification for changing the qualification? The onus is on the government to establish why the existing provision needs to be changed. Is there a problem with the current provision? If not, why is it being deleted?

Mr Long has directed attention to that point, and it is not satisfactory for the Minister to simply say that is what happens in other areas. That is the whole point of Mr Long's objection; it is becoming common practice even when it is more appropriate on occasions for those qualifications to be specified precisely by Parliament.

I am not trying to be difficult, but the Committee is entitled to a better explanation of what is wrong with the existing provision and why the government is heading down the path proposed in the clause. Mr Long's point is valid until it is refuted.

Hon. M. T. TEHAN (Central Highlands)—I endorse the concerns legitimately raised by Mr Long. I was also concerned about the matter and wrote to the University of Melbourne to get some comment from it, thinking it would make positive comments along the lines suggested by Mr Knowles and Mr Long. Parliament should not derogate from the excellent standards I spoke about which are a result of the professional and academic rigour imposed by the University of Melbourne and other universities.

When I first read the provision I thought it sought to enlarge the possibilities for dental schools within other universities. However, that does not seem to be the case. I can only add that the University of Melbourne has no difficulty with the provision. However, I support the query raised by Mr Long and Mr Knowles and am interested in hearing the Minister's reply.

Hon. C. J. HOGG (Minister for Health)—If the Committee desires a detailed reply, I suggest progress be reported until I seek detailed advice. There was a great deal of consultation on the legislation, and the bodies with whom consultation was held were proud of their qualifications and profession. Any suggestion of a relaxation of standards being written into the Act would be anathema to the groups with which the government consulted. As I understand it the clause contains a more standard way of describing the qualifications for registration that are set out in more detail in regulations.

Hon. R. J. LONG (Gippsland)—I again ask from where did the complaint come? Did the Dental Board raise the issue? If not, why is the provision being altered? As Mrs Tehan said, the University of Melbourne is proud of its degree of Bachelor of Dental Science, and it disturbs me that it will no longer be the controller of the theoretical side of dentistry. I am worried that control will be passed to a board that will advise the Minister on what should be prescribed as a substitute. I should like progress to be reported so the Minister can seek advice.

Hon. C. J. HOGG (Minister for Health)—I am advised by the legal officer present that the Dental Board requested the change. Perhaps Mr Long would accept a written reply explaining in detail the background to the change and its implications.

Hon. R. J. LONG (Gippsland)—If honourable members are to pass the Bill, they should do so in full knowledge of what it does. At the moment, this provision is included simply because it is someone's suggestion, and that is not satisfactory.

Progress reported.

PETROLEUM (SUBMERGED LANDS) (FURTHER AMENDMENT) BILL

Second reading

Resumed from 14 November; motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

Hon. B. A. CHAMBERLAIN (Western)—The Opposition will support the Bill. The Bill is designed to mirror Federal legislation that deals with offshore oil exploration. It follows a similar Bill passed in this House in October 1989. The Commonwealth Petroleum (Submerged Lands) Act 1967 was amended by the Primary Industries and Energy Legislation (Amendment) Act No. 2 1989. Victoria now needs to pass complementary legislation.

Victoria has the ability to prescribe what may happen within three miles offshore and the Federal government controls beyond three miles. For many years disputes occurred between the States and Federal government on the legislative competence of each government in its area of offshore activity. Fortunately in recent years an agreement of cooperation was reached between the Commonwealth and the States and under that agreement each State is to act in its own right for the first three miles and it acts as an agent for the Commonwealth beyond that three-mile limit. The Petroleum (Submerged Lands) (Further Amendment) Bill brings Victoria into line with the Commonwealth legislation.

Australia is facing the need to import two-thirds of its crude oil needs by 1998. The recent problems in the Middle East have meant that Australia has already felt the impact of supply on world prices and that problem has translated into higher domestic prices because of the Commonwealth government's policy that provides for parity between domestic prices and world prices. We could argue about whether that system should be continued, however that is the system that is currently operating.

We need a system that encourages oil exploration not just in a regulatory sense but also that is influenced by a taxation regime applying to offshore exploration. Although there has been considerable activity in Victorian waters it is certainly not a full-blown exploration activity. This is largely influenced by the taxation rules that are operated by the Commonwealth government. Recently the Commonwealth government has sought to change those rules. The Minister has expressed concern about those matters. In my speech that was reported in *Hansard* on 10 October 1989 at page 690 I dealt in detail with questions of exploration. I referred to Australia's increased dependence upon imports and said that by 1998 it was estimated that we would rely on the importation of two-thirds of our crude oil supplies. Therefore Victoria has a great interest in ensuring that we maximise our exploration and production efforts. I am sure the Minister agrees with those objectives.

The Bill deals with a number of matters. Firstly, it deals with the fees for various exploration activities. Apparently fees are prescribed by legislation but as a result they tend to fall behind the amount necessary for the recoupment of the cost of administering the schemes. The Bill provides that fees are to be prescribed in regulations rather than set by statute. I foreshadow that the Opposition will move an amendment in the Committee stage for the normal disallowance clause so that fees prescribed by regulation will be able to be disallowed by either House. The Minister in his second-reading speech said:

> Fees collected will be retained by Victoria and will go towards the costs incurred in administering the day-to-day petroleum activities—

I ask the Minister to indicate to the House what proportion of the cost of running his department is expected to be recouped by the new scale of fees.

The Bill reasonably provides for the abolition of refunds where applications are withdrawn after they have been processed even in a preliminary way by the Minister's staff. Other provisions seek to mirror the Federal legislation. They were supported by the Federal members of the coalition and they will be supported by our State coalition.

Obviously the encouragement of the production of Victorian oil has the complete support of the Opposition. We would be prepared to support the Minister's submissions to Canberra in relation to new taxation rules which could have an impact on the production of Victorian crude oil, which is an important source of revenue for the State. The recent increases provide windfall profits for the government and for oil companies at a time when the government needs every dollar it can collect.

The Opposition wholeheartedly supports the legislation and it wholeheartedly supports a successful exploration program in Victoria.

Hon. ROBERT LAWSON (Higinbotham)—The Bill mirrors Commonwealth legislation and is of particular significance to Victoria because of our dependence on the oil wells in Bass Strait. In fact Victoria is the only State that has significant reserves of oil, except perhaps for Western Australia.

Crude oil has been of great value to Victoria but the value of production is falling each year. Our crude oil reserves will fall from 564 000 barrels a day to 300 000 barrels a day in four years and fewer than 180 000 by 1998. Our requirements are expected to rise from virtual self-sufficiency to 680 000 barrels in the 1990s. This presents a problem and the Bill is an attempt to do something about it.

This is the second Bill dealing with this matter that we have seen in recent times. In April 1990 Parliament dealt with the Petroleum (Submerged Lands) Bill and this is an amendment to that Bill and to a great extent it deals with fees as well as being an attempt to encourage further oil exploration.

Currently there are fourteen oil platforms in Bass Strait. Some months ago I had the pleasure of visiting this area with Mr Chamberlain and Mr Perton from another place. We had lunch and stayed for a while on *Schnapper*.

I was impressed by the apparent loneliness of the oil rigs. If one looks at a map of the area it seems as though the rigs are jostling one another, but when out over Bass Strait one realises how isolated they are. Only some of them are manned, others being operated automatically, although each has its own helicopter landing platform. Some rigs look like bottles standing up out of the sea with trampolines on top—although I presume the helicopters do not bounce off! The fields in Bass Strait are small when compared with those in Indonesia and the Middle East. Nevertheless they are important to us, and the fact that our reserves have been depleted by 80 per cent highlights the urgent need to find new fields.

It is striking to realise that most resource-rich countries are poor. To some extent Australia falls into that category because we have come to rely on our natural resources for income. One of the features of modern times is that resource-poor countries such as Japan, Switzerland, Singapore, Hong Kong and Thailand are becoming richer almost by the day, while we are becoming poorer. The lesson to be drawn is that even if we find new oil resources we must make proper use of the windfall.

We are going wrong somewhere, whether because we do not work hard enough or are not smart enough—and perhaps our education system is letting us down. We must take advantage of the opportunities our natural resources give us to examine ourselves and our society. If we continue to rely on natural resources we will not succeed, because natural resources become depleted in the end—where brain power does not.

We will have to become more clever in using the natural resources we have. Brazil now produces motor fuel from sugar cane; because Australia has an abundance of sugar cane we should consider doing the same. During the past month we have witnessed the solar-powered car race from Darwin to Adelaide. Some of the cars reached speeds of up to 140 kilometres an hour, an amazing achievement considering that only a few years ago motor vehicles could not be driven using solar power. We must consider new and alternative uses for renewable and non-renewable sources of energy besides simply finding new reserves of oil and dissipating them.

To bring a well into production costs between $7 million and $20 million, which is a high impost for producers and only one well in ten proves successful. It therefore seems inappropriate that the government is proposing to alter the schedule of prescribed fees of $3000 or less by substituting the words "the prescribed fee" for an amount, which shows that the government is looking at the prescribed fees as a means of raising additional revenue. Under the Bill explorers who are unsuccessful applicants will not have their application fees refunded, despite the provision under existing law that, in those circumstances, 90 per cent of the amount is refunded.

As Mr Chamberlain said, the Opposition supports the Bill but we have to keep an eye on the government to ensure that we do not kill off oil exploration programs.

Motion agreed to.

Read second time.

Ordered to be committed later this day.

DENTISTS (AMENDMENT) BILL

Committee

Resumed from earlier this day; further discussion of clause 7.

Hon. M. T. TEHAN (Central Highlands)—I understand that Mr Long, who raised concerns about the proposed amendments to section 17 of the principal Act, particularly the prescription of qualifications, has modified the stand he took after receiving some explanation about the matter. Given those circumstances I do not intend to take the matter further.

Hon. R. J. LONG (Gippsland)—Mrs Tehan is correct, and I am grateful to the Minister for her assistance. It is obvious that the request for the amendment came from the Dental Board of Victoria. I think it is a wrong step; and even though it has been taken in other legislation I give notice that I will continue to raise the matter on every occasion it is warranted.

I am disappointed that the University of Melbourne did not press the point that it should have the power to set the standards for the theoretical training of Victorian dentists.

Clause agreed to; clause 8 agreed to.

Clause 9

Hon. M. T. TEHAN (Central Highlands)—I move:

Clause 9, page 4, after line 8 insert—

"(8) Where the Board imposes any conditions, limitations or restrictions under sub-section (1) in relation to a person's practice as a dentist, it must review those conditions, limitations or restrictions annually and, on a review, must—

(*a*) confirm; or

(*b*) amend; or

(*c*) revoke—

those conditions, limitations or restrictions.".

The amendment proposed to add a subsection (8) to section 25 of the principal Act. The basis for the amendment was suggested to me by the Victorian division of the Australian Dental Association to ensure that the provision is consistent with the provisions of section 25 (l) (*c*) (iii) concerning the suspension of the registration of such a person for a period not exceeding one year and with section 25 (3), which says:

> The board may at any time if it thinks fit on the application of any person whose registration has been cancelled and on payment of the prescribed fee cause the name of such person to be restored to the register.

So it is consistent that as in this new power where the board has to impose conditions and restrictions, there should similarly be an opportunity for the person affected by the imposition of the restrictions to have an opportunity for review. The second reason is that in terms of equity and justice there should be a provision for a review of a restriction or interference with a person's right to practise as a professional dentist.

For those two reasons, and on the suggestion of the Australian Dental Association, I move the amendment on the understanding that it adds both consistency and equity to the provision.

Hon. C. J. HOGG (Minister for Health)—As I indicated earlier, the government has no difficulty at all with the amendment proposed by Mrs Tehan.

Amendment agreed to; amended clause agreed to; clauses 10 to 17 agreed to.

Reported to House with amendment.

Passed remaining stages.

ROAD SAFETY (CERTIFICATES) BILL

Second reading

Debate resumed from 21 November; motion of Hon. B. T. PULLEN (Minister for Education).

Hon. W. R. BAXTER (North Eastern)—This is a small Bill which has become necessary through a decision of the Supreme Court resulting from a case heard on 15 October upon which judgment was delivered on 13 November—it is very recent history. The import of the decision of the learned judges was that in certain instances where alcohol and drug offences are being considered it is necessary for the operator of the breath testing machines, or the blood analyst, to appear personally in court or the evidence will not be admissible. I have read the decision of the learned judges and, while it is very complicated, it is my view that they were correct in their interpretation. I suppose it is not for me to be casting aspersions even if I disagree with the decision.

The learned judges were ruling on section 57, the evidentiary provisions dealing with blood tests under the Road Safety Act. The case really hinged on section 49 of the Act, which deals with offences involving alcohol and other drugs, subsection (1) of which says:

> A person is guilty of an offence if he or she—

The section then sets out seven circumstances where a person would be guilty. The court has ruled that although it is not necessary for the operator of the testing device

to be present in five of those circumstances, because of a technical defect in the wording it is necessary in two of them.

One might think the person appearing on the charge ought to have the opportunity to cross-examine the person who took the test, and that opportunity already exists in the Act. If the offender desires to cross-examine the person who conducted the test he must give notice of that intention seven days prior to the case and the operator will be called as a witness. In other situations where notice has not been given I believe it was the intention of Parliament and the intent of the Act—although it has now been found deficient in this narrow aspect—that the certificate would be sufficient evidence as to the level of alcohol in the blood. The judgment of the Supreme Court makes it necessary for Parliament to restate what I believe was its intention, both in the principal Act of 1986, when further amendments were made in 1987 and again last year. It would be a tragedy if the thousands of people currently facing charges under section 49 (1) (*f*) and (*g*) were allowed to escape their just deserts as a result of this ruling of the Supreme Court because Parliament did not act quickly to clarify its intention. That is the purpose of the Bill and in that regard it has the support of the Opposition.

I think it is very important that the community as a whole continues to emphasise the seriousness with which it views drink-driving. It is clear the road toll is declining markedly in Victoria when one takes into account the increase in the number of vehicles registered. On a scale of kilometres travelled, the decline in the road toll is very encouraging. I regret there is still a very large percentage of motor vehicle collisions—I refuse to call them accidents and it is time we got rid of that term because they are collisions and are usually caused by the carelessness of one or the other party—resulting in a large number of fatalities where there is evidence that alcohol is involved. Parliament and the community continue to emphasise at every opportunity that the community takes a very dim view of such antisocial behaviour.

It has been my experience—I have noted it in Parliament before—that the drink-driving laws in Victoria by and large have had a dramatic influence on what I call the social drinker; the person who does not drink very often or very much, is moderate and whose drinking habits have very much changed as a result of drink-driving legislation. Those people do not drink and drive and make suitable arrangements to avoid that situation. There are people in the community—the heavy drinkers—who are yet to learn the community will no longer tolerate drink-driving.

I base that claim on subjective evidence. Nevertheless, one reads in the court reports that are a feature of country newspapers—even if they are not in the metropolitan papers—case after case of drivers before the courts on their third and fourth drink-driving charge. It goes without saying that you do not get apprehended on each occasion you happen to be over the legal limit. A person who has been caught for the fourth time clearly has been over the legal limit many times, probably hundreds of times. To some extent there is a small segment of our community who are still thumbing their noses at the drink-driving legislation. Greater efforts need to be taken to ram home to those people that this community no longer tolerates that antisocial behaviour.

If the number of people who have been killed on the roads through alcohol-related collisions were killed in a plane crash or one single incident there would be an outcry. For too long it was accepted that it was okay to have a few beers, get in a motor car and drive home. That has changed for 85 per cent of the population, but that message still has to get across to the remaining 15 per cent. More work needs to be done in a range of areas for that message to get across to that hard core who are resisting at the moment. Nevertheless, it is clear this small amending Bill is urgent and needs to be passed. The person who took his case to the Supreme Court and had his victory keeps

his victory. This Bill does not overturn that decision with regard to that particular appellant; what it means is that all the cases still to go to the courts cannot escape on this technicality.

The opposition parties do not oppose the Bill.

Hon. ROBERT LAWSON (Higinbotham)—We are proud of the system of justice in Australia; it is even-handed, although expensive, but at times it does become tedious. There is a sort of ongoing guerilla war, with lawyers testing our defences, the police trying to administer the laws as best they can, and honourable members in this House shoring up the weak places. It is an ongoing activity because as far as I can remember in every session I have been here honourable members have been fiddling away with the road safety laws trying to outwit the amazing ingenuity of lawyers.

Honourable members have a clear concept in their minds of what they want to do: they want to save people's lives and stop them killing one another on the roads. If honourable members can pass legislation to that effect they will do so. When we get what we think is a fairly clear and understandable Bill and it is passed as legislation, then someone is arrested by the police, calls a lawyer and goes to court and the lawyer finds a weak spot in the legislation.

In the case of *Bracken v. O'Sullivan* heard in the Supreme Court it was decided that the persons operating the booze buses or the speed detectors had to appear in court as witnesses. This is not acceptable to honourable members or the police because there are only a limited number of operators. If they have to go to court to deal with every single case the whole system will collapse. If that happened there would be no more people detected on the road driving too fast or with excessive alcohol in their blood because all the operators who detect these activities would be in court giving evidence.

That is another loophole Parliament is trying to close up with this Bill. I hope it works. No doubt honourable members will be back next session to try to close up more loopholes in the legislation, but we wish this particular measure well. We are trying to help as best we can to keep the road toll down because we are conscious of the death and maiming that takes place on the roads. The road toll has been falling over the past years, due to our efforts and to a new perception of drink-driving in the community; people do become more responsible.

There are more cars on the road than ever before but the number of road deaths per thousand is falling and that is an excellent thing. We will keep up our efforts as long as necessary and wish the legislation well. The Opposition supports the government in these endeavours.

Hon. G. B. ASHMAN (Boronia)—I shall be brief because the points covered by Mr Baxter and Mr Lawson express quite clearly the coalition's position on this Bill. It is a most important piece of legislation, albeit it is only a small Bill. Without this measure it is possible that police officers operating booze buses and random breath testing stations could be required to appear in court. The Bill will alleviate that problem.

At the moment there are 11 000 .05 cases pending and without this Bill it is possible that all 11 000 could end up in the Magistrates Court. That would tie up considerable time of police officers and obviously detract significantly from their ability to operate, particularly over the coming festive season, and to provide the visible presence and deterrent that is so necessary. When the legislation was first passed in 1986 it was the Parliament's intention that officers not be required to appear in court; the Bill addresses that problem.

There has been a significant reduction in the road toll since the introduction of the .05 legislation, the booze buses, the random breath testing stations and, more recently, the introduction of breath testing equipment into most police vehicles. One knows that over the past five years 36 per cent of people admitted to hospital as a result of accidents have exceeded the .05 limit, but that number is reducing. The opposition parties are pleased to support this essential legislation in the pre-festive season.

Hon. R. A. MACKENZIE (Geelong)—I also support this Bill as does the Opposition. There are not many pieces of retrospective legislation that I support, but I certainly support this Bill because the breathalyser has been a major factor in reducing what is still a very high road toll.

I take this opportunity to raise with the government that it is still not addressing the issue of drug abuse and driving. Other States are beginning to address this problem. In Western Australia if the breathalyser indicates that the driver's erratic driving has not been caused by alcohol there are further investigations, and testing takes place to ascertain the quantity of drugs that may be in the bloodstream.

Last year, of approximately 50 drivers tested for this reason 47 were found to have a high drug content in their bloodstream. That indicated that their erratic driving behaviour and the accident had been caused by the use of drugs. Apart from the illegal use of drugs there is also the legal use—where people are on medication. While they may not have had the specified amount of alcohol in their blood, alcohol when combined with drug use often causes accidents and fatalities on the road.

In Tasmania a "pot bag" has been developed. It acts on the same principle as a breathalyser: by breath testing a driver the authorities can determine whether an accident has been caused even in part by a driver who has been taking drugs.

I suggest to the government that in the debate on breathalysers some action should be taken to initiate research in Victoria on testing for drugs. If the testing is being done in other States, it is time it was done here. From the statistics available no doubt can exist that drug use is unfortunately not on the decline but is increasing. The government should take a step forward while it is introducing legislation of the nature of the Road Safety (Certificates) Bill and investigate introducing rules for testing for drug use and determining the contribution that drug use makes to Victoria's road toll.

I support the proposed legislation. I congratulate the government on its efforts to date on the road safety campaign. I ask the government to further extend the research it has undertaken and I suggest a Parliamentary committee could investigate what can be done about the use of drugs and the effects of drug use on the road toll.

Motion agreed to.

Read second time.

Passed remaining stages.

Sitting suspended 6.38 p.m. until 8.3 p.m.

JOINT SITTING OF PARLIAMENT

Deakin University

La Trobe University

Victorian Curriculum and Assessment Board

The PRESIDENT—Order! I have received the following communications from the Minister for Education:

The Hon. A. J. Hunt,
President,
Legislative Council,
Spring Street,
Melbourne 3000

Dear Mr Hunt,

Section 7 of the La Trobe University Act 1964 provides that three members of the council of the university shall be members of the Parliament of Victoria who have been recommended for appointment by a joint sitting of the Parliament.

The term of appointment of the current members, Dr Ronald Wells, MP, Mr Anthony Sheehan, MP, and the Honourable Ronald Best, MLC, expires on 18 December, 1990.

I would be grateful if you could arrange a joint sitting of the Parliament to recommend members for appointment to the council of La Trobe University for a three-year term of office commencing on 19 December, 1990.

I have addressed a similar letter to the Speaker of the Legislative Assembly.

Yours sincerely,

Barry Pullen

Minister for Education

The Hon. A. J. Hunt,
President,
Legislative Council,
Spring Street,
Melbourne 3000

Dear Mr Hunt,

Section 7 (1) (*d*) of the Victorian Curriculum and Assessment Board Act 1986 provides that three members of the board shall be members of the Parliament of Victoria who have been recommended for appointment by a joint sitting of members of the Legislative Council and the Legislative Assembly and conducted in accordance with rules adopted for the purpose by the members present at the sitting.

The appointment of Mr David Evans, MP, has expired. I would be grateful if you could arrange for a joint sitting of the Legislative Council and the Legislative Assembly to recommend the name of a member to replace him as a member of the Victorian Curriculum and Assessment Board for a four-year term of office commencing on the date of the election.

I have addressed a similar letter to the Honourable K. Coghill, MP, Speaker of the Legislative Assembly.

Yours sincerely,

Barry Pullen

Minister for Education

I have received in addition a message from the Speaker of the Legislative Assembly, stating as follows:

The Legislative Assembly acquaints the Legislative Council that they have agreed to the following resolution:

> That this House meets the Legislative Council for the purpose of sitting and voting together to choose members of the Parliament of Victoria to be recommended for appointment to the Deakin University council, the La Trobe University council and the Victorian Curriculum and Assessment Board, and proposes that the time and place of such meeting be the Legislative Assembly Chamber on Wednesday, 28 November 1990 at 6.15 p.m.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—By leave, I move:

That this House meets the Legislative Assembly for the purpose of sitting and voting together to recommend members of the Parliament of Victoria for appointment to the Deakin University council, the La Trobe University council and the Victorian Curriculum and Assessment Board and, as proposed by the Assembly, the place and time of such meeting be the Legislative Assembly Chamber on Wednesday, 28 November 1990 at 6.15 p.m.

Motion agreed to.

Ordered that message be sent to Legislative Assembly acquainting them with foregoing resolution.

SESSIONAL ORDERS

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—By leave, I move:

> That so much of the Sessional Orders as requires that no new business be taken after 10 p.m. be suspended until the end of November 1990.

In doing so, I indicate that it is intended that the House sit until midnight tonight, midnight tomorrow night and, if necessary, until midnight on Thursday evening—although it may not be necessary to sit quite so late—with a view to completing the session at about dinner time on Friday evening. In the normal course of events, with the normal cooperation, that is the government's target.

Motion agreed to.

LIQUOR CONTROL (PACKAGED LIQUOR LICENCES) BILL

Second reading

Debate resumed from 21 November; motion of Hon. B. W. MIER (Minister for Consumer Affairs).

Hon. K. M. SMITH (South Eastern)—For the first time since I have been a member of Parliament I support a Bill introduced by the government. I am sure my support is of some surprise to the Minister for Consumer Affairs.

I support the Liquor Control (Packaged Liquor Licences) Bill because it is part of the freeing up of the market and indicates the government has loosened at least some of its union control. The Minister has been prepared to go out on a limb and make a commitment that liquor stores will be able to open for at least the four Sundays prior to Christmas and provide a service that I am sure the people of Victoria require.

I say that on the basis that in the area I represent the Mornington Peninsula is classified as a tourist precinct and people are able to and do buy liquor when they want it, without being dictated to by government regulation which has kept some shops closed on Sundays.

In congratulating the government I express my amazement that the Minister has been able to work so quickly and present the Bill to Parliament in so short a time. In considering the speed with which the Bill has been prepared, one wonders what the dickens is going on. Honourable members might think: how could the government and the bureaucrats work together so well and get this Bill before Parliament so quickly?

On 13 November the Minister announced that for the four Sundays before Christmas trading would be allowed in licensed liquor stores. On 14 November the representatives of liquor stores requested that amendments be made to the Bill to allow that to

happen. On 20 November the first reading of the Bill occurred in this House and on 21 November the second reading occurred.

One would think the government would have had a bit of consultation with other people concerned in this matter, the hoteliers, but that did not occur, and that concerns me. The Minister may now say that it did occur, but I have spoken with representatives of the Australian Hotels Association who said consultation had not occurred and there was no discussion until 20 November, after the association protested about not being consulted.

One would think that when changes to an Act are proposed in this way the government would at least have consultation with all those involved. It claims it is a government of consultation, but that is rubbish. It did not consult very well in this case. Certainly the government may have spoken to people involved in liquor stores—and that is good and it ought to be congratulated for it—but the fact is that the Bill also affects a section of the industry that is already operating on Sundays, even though the hours are more restricted than those provided for in the Bill. One would think the government would give some consideration to and consult with the hoteliers.

That brings me to a small problem with the Bill. The Minister has been prepared, after our intervention, to say that he will give consideration to allowing hotels to open for the same hours that licensed liquor stores will be allowed to open. That means that hotels will be able to operate between 9 a.m. and 5 p.m. The hotels are able to open until later than 5 p.m. through other provisions of the Liquor Control Act, but in this case, through the amendments that the Minister will move in Committee, they will also be able to open for the same hours as liquor stores. I congratulate the government in that regard.

Hon. R. M. Hallam—Be careful!

Hon. K. M. SMITH—I have said that twice, but I must say that I do congratulate it. It is strange that when I first read the Bill it reminded me of the situation of the Hastings council. I have already had experience with a Bill like this, which dealt with licensed stores. Ritchies Stores of Balnarring wrote to the council for support to enable it to open on the same basis as outlets in other tourist precincts.

At that stage a number of councillors argued that that store should not be allowed to open and that the council should not give its support to such a proposal because if it did the place would be full of drunks; that people would not be able to do their grocery shopping because there would be drunks around the place; and that they would not be able to push their trolleys around when they got out because there would be drunks lying around the entrance.

Also, because Balnarring is a beachside area, it was argued that if the store was allowed to open it would lead to more people drowning. I do not think anyone has drowned at Balnarring, but that was the argument. I am pleased to say that nobody has drowned there since the store was allowed to open, so some of the prophets of doom were wrong. It is interesting to note that it was Labor Party supporters who put up these arguments. That is fairly typical.

However, this enlightened Minister, the Minister for Consumer Affairs, has been prepared to argue a little in order to relax some of the restrictions that have been placed on liquor stores and thereby allow them to open on the four Sundays leading up to Christmas.

Proposed section 51 (1A) (*b*) states that the Governor in Council may make a proclamation under subsection (1) (*d*) if:

> the proclamations are not made in respect of more than four days in any year.

It concerns me that it can be any four Sundays in the following year. I thought the Minister may have been prepared to examine that provision and specify the four Sundays to which the provision relates. He may be looking for flexibility so that he may be able to extend the provision at a later stage. I encourage the Minister to introduce an amending Bill after Christmas to make that provison read "52 days in any year". That would be rather good because that would provide the flexibility we have been looking for, and I am sure the Minister would also appreciate the opportunity of going to his local liquor store and purchasing liquor when he wishes.

Another point that arose in discussions that the coalition had with the Australian Hotels Association is that at present hotels are allowed to open from 12 noon on Sundays and, if they wish to open a few hours earlier—and some, like the one in Hastings, open at 9 a.m., not that I have been there at that time, but I have driven past it on my way to my electorate office on a Sunday—they must apply to the Liquor Licensing Commission and pay a fee of some $480 plus the legal costs, if necessary, for an appearance before the commission.

At least with the amendments that the Minister proposes to move, the Bill will allow the hotels to open earlier without having to obtain the permit and pay the fee in regard to the four Sundays in the lead-up to Christmas. The Minister is to be congratulated for acting on the suggestion we made to him. He took it on board, saw merit in the argument we put forward, and was prepared to accept it.

I am extremely pleased that the government has approached this matter in a reasonable way and that the Minister has been able to bring this Bill forward so quickly, although I have some questions about the way it happened so quickly. However, the government is to be congratulated.

The coalition will not oppose the Bill in this House and also the amendments that the Minister will move in Committee.

Hon. G. P. CONNARD (Higinbotham)—Although the Opposition will support the Bill there are several matters associated with it that the Minister has not attended to, but which he should address. The hotels have great concerns about the Bill in the sense that—and the Minister should be well aware of this, given his background—because of other restrictions within the Liquor Control Act, the Sunday wages for ordinary workers within hotels amount to approximatately $18 an hour, whereas the competition, that is, bottle shops and similar outlets, pay Sunday wages of some $12 an hour. Discounting in the packaged liquor area is rife, and it seems to me that as successive governments have required higher standards from hotels there has been no amelioration of costs, particularly the costs of wages.

I am sure the Minister is aware of this problem, because I understand that only recently he met with a deputation representing hotels in my province to discuss the appropriate wages required to be paid by the hotel industry as a result of other provisions of the Liquor Control Act. Those provisions do not enable the hotels to act in competition with other traders in packaged liquor. I know it is too late to do anything about it in this Bill, but I ask the Minister to examine the problem seriously with a view to ensuring that hotels are able to trade outside their normal hours in fair competition with other participants in the liquor industry. This is a serious matter.

Although this Bill addresses only the four Sundays prior to Christmas its provisions may be extended. I hope the Bill is a forecast for the future and that there will be extended trading hours for liquor, as is the Liberal Party's policy. The government is slowly tending to the needs of the community by extending shop trading hours, but I hope the government seriously addresses this issue in the future.

As I said earlier, because of changes in the Liquor Control Act the cost of selling packaged liquor from hotels and providing service is 50 per cent higher than the cost in retail bottle shops. If the Minister is serious about improving the system of selling packaged liquor, perhaps by introducing new provisions through a new liquor Bill at some time in the future, he must deregulate shop trading hours because there is a differential between the wages paid in hotels which sell packaged liquor as against those in licensed retail outlets which sell packaged liquor.

Hon. W. R. BAXTER (North Eastern)—I support my colleagues Mr Smith and Mr Connard, and I also place on the record my concern that the legislation, introduced at this late hour, is a typical example of the incompetence of the government; it is unable to arrange its legislative program in such a way that Parliament and the community can properly consider the legislation.

The legislation is a further example of the government scratching around for initiatives to demonstrate to the community that it is endeavouring to get the State going again and out of the deep hole it has dug for itself, because the legislation that allows supermarkets and shops to trade on the four Sundays prior to Christmas will create a problem for supermarkets because they will have to partition off that area which sells alcohol. It is not contested that the partitioning off of that area will pose problems and, because of that, the Liquor Control (Packaged Liquor Licences) Bill has been introduced and is being rushed through Parliament.

The Minister has not consulted with other branches of the industry and differences have been expressed about what is available from licensed retail liquor outlets and hotels. The ordinary hours of trading for hotels on Sundays are from midday to 8 p.m. and they can trade outside those hours only by permit, which is a planning matter and costs considerable money in legal fees and the like.

I understand the Minister will move an amendment in the Committee stage which may address that situation, but I am concerned because this piecemeal ad hoc legislation does two things: first, it changes the liquor licensing laws of the State, which honourable members will recall were debated at length not so long ago; and secondly, it makes a further change to shop trading hours in a piecemeal manner.

I am not opposed to reviewing shop trading hours. It is a messy situation and needs to be reviewed, but not in an ad hoc way. I am certainly concerned that hotels, which have placed on them by statute many requirements that do not apply to other retailers of alcoholic beverages, are being potentially disadvantaged.

This is legislation on the run and it has been improperly thought out with insufficient consultation. I am deeply unhappy about the way the Bill has been introduced. The government has had twelve months to think about it and work it out, but the Bill has been left until this eleventh hour and places the Opposition in the untenable and invidious position of having no option but to support it, because it is in general agreement with Opposition policy. Nevertheless, in the process, further anomalies in shop trading hours and the sale of alcoholic beverages have been revealed.

I invite the Minister to get his legislative program in order earlier in the year. If he has any proposals for the Christmas period he should let them be dealt with by Parliament earlier in the sessional period so that people, particularly those in business, know where they stand and can plan accordingly. The proposed legislation is an extraordinary example of mucking around. Business people have suffered enough under the Cain and Kirner governments, who were and are dreadfully anti-business and it is time this stopped.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 3 agreed to.

New clause

Hon. B. W. MIER (Minister for Consumer Affairs)—I move:

Insert the following new clause to follow clause 2—

Closing hours for general licences

'AA. In section 47 (1) of the *Liquor Control Act* 1987, after paragraph (*b*) insert—

"; and

(*c*) for consumption off the licensed premises at any time in respect of which a proclamation has been made under section 51 (1) (*d*)—".'

Hon. K. M. SMITH (South Eastern)—Has the amendment been introduced because of discussions the Minister has had with the Australian Hotels Associations?

Hon. B. W. MIER (Minister for Consumer Affairs)—Extensive discussions have occurred with both the Liquor Stores Association of Victoria and the Australian Hotels Association regarding these proposals, and the amendment arises from the amendment to the Liquor Control Act allowing shop trading on the four Sundays leading up to Christmas. Concern was expressed by the proprietors of liquor stores that they were not being given the opportunity to trade on the same basis as other traders in shopping centres. The AHA raised a similar concern in that hotel trading hours, particularly with their extended licence, namely, in respect of bottle shops, could not begin until 12 midday, whereas retail liquor stores could open at 10 a.m. In order to create a level playing field it was decided that all retail traders should be treated equally and, as a result, the amendment has been introduced.

The new clause will enable hotels to trade in packaged beer at the same time as liquor stores but will not enable them to open their bars and institute the sale of bulk or draught beer. In other words, it will be totally confined to packaged beer.

Hon. R. I. KNOWLES (Ballarat)—I enter this debate without any great understanding of the issues involved but I seek from the Minister a clear and unequivocal reassurance to the Committee that his amendment has been agreed to by all parties with an interest in this issue; that is, the Australian Hotels Association and all the other parties that have a vested interest. I understood that is what the Minister was saying but I seek from him a specific undertaking to that effect.

Hon. B. W. MIER (Minister for Consumer Affairs)—In actual fact the whole thing is a response to the request from both the liquor or bottle shop and packaged beer outlets, as a result of which there was agreement from the AHA to enable them to trade.

Hon. R. I. Knowles—Is the answer to my question yes?

Hon. B. W. MIER—Yes, it is.

New clause agreed to.

Reported to House with amendment.

Passed remaining stages.

TEACHING SERVICE (AMENDMENT) BILL

Committed.

Committee

Clauses 1 and 2 agreed to.

Clause 3

Hon. HADDON STOREY (East Yarra)—I move:

1. Clause 3, line 17, after this line insert—

"(4) Before the end of an appointment under this section the performance of the principal must be reviewed against the duty statement and selection criteria applying to the principal's position by—

(*a*) the selection sub-committee of the school council of the school; or

(*b*) if there is no school council, a committee approved by the Minister under section 61.

(5) The school council, acting on the decision of the selection sub-committee, or the committee must recommend—

(*a*) that the appointment of the principal be renewed; or

(*b*) that the position held by the principal be advertised as a vacancy.".

It will be remembered that during the second-reading debate on this Bill I raised the issue of the need for some review of the performance of a principal before any renewal or termination of an appointment. There have been discussions between the government and the Opposition which have led to the amendment I am now proposing.

The effect is that the performance of a principal will be reviewed in a way which pays heed to the existing procedures in a particular school for selection of principals and other senior personnel or, if there is no school council, a committee approved by the Minister. The Opposition believes this satisfies the criteria I set out in the second-reading debate to ensure there is a proper review, in an independent and objective manner, of the performance of the principal so there may be a report on whether the principal's appointment should be renewed or, in particular cases where a decision may be made, advertisements for a new principal should be placed.

Hon. B. T. PULLEN (Minister for Education)—The amendment resulted from the discussions mentioned by Mr Storey. I believe this is in keeping with the original intentions of the staffing process. I am satisfied it is within the intentions of the award restructure and the determination of the commissioner. I think it is helpful in the form in which it is now drafted. It would have had to be done at some stage and it is now incorporated in the legislation. It brings forward a process that would have occurred, and I am happy to agree to the amendment.

Hon. P. R. HALL (Gippsland)—I am happy to support the amendment. During the debate on the Bill honourable members talked about the accountability of both principals and teachers and how they saw it to be desirable. Certainly the mechanism provided in the Bill provides for accountability. It proposes further mechanisms by which the performance of the principal can be fairly and justly appraised. Any person in that position is entitled to a fair appraisal of his or her performance before being nominated for another term or his or her position being debated. I am happy to support the amendment.

Amendment agreed to; amended clause agreed to.

Clause 4

Hon. HADDON STOREY (East Yarra)—I move:

2. Clause 4, page 3, line 1, after this line insert—

"(4) Before the end of an appointment under this section the performance of the principal must be reviewed against the duty statement and selection criteria applying to the principal's position by—

(*a*) the selection sub-committee of the school council of the school; or

(*b*) if there is no school council, a committee approved by the Minister under section 61.

(5) The school council, acting on the decision of the selection sub-committee, or the committee must recommend—

(*a*) that the appointment of the principal be renewed; or

(*b*) that the position held by the principal be advertised as a vacancy."

3. Clause 4, page 3, line 24, after this line insert—

"(4) Before the end of an appointment under this section the performance of the principal must be reviewed against the duty statement and selection criteria applying to the principal's position by—

(*a*) the selection sub-committee of the school council of the school; or

(*b*) if there is no school council, a committee approved by the Minister under section 61.

(5) The school council, acting on the decision of the selection sub-committee, or the committee must recommend—

(*a*) that the appointment of the principal be renewed; or

(*b*) that the position held by the principal be advertised as a vacancy.".

I move these amendments concurrently because they follow the same principle that has already been agreed to by the Committee in relation to clause 3. In formally moving them, I thank the Minister and his officers for their assistance in working out the appropriate form to achieve the result the coalition feels should be achieved in the Bill.

Amendments agreed to; amended clause agreed to; clauses 5 and 6 agreed to.

Reported to House with amendments.

Passed remaining stages.

FREEDOM OF INFORMATION (AMENDMENT) BILL

Second reading

Debate resumed from 14 November; motion of Hon. M. A. LYSTER (Minister for Local Government).

Hon. HADDON STOREY (East Yarra)—The Bill makes a small amendment to the Freedom of Information Act, and it is appropriate that honourable members should have an opportunity of discussing the Act in this session of Parliament.

Freedom of information was a major initiative taken by the Liberal Party when in government, but an election was held before the Bill introduced by the then Liberal government was passed.

The Labor government then introduced proposed legislation covering freedom of information which was passed with the agreement of the Opposition because it was accepted that the principle of freedom of information was essential in any democratic system. It should always be possible for citizens to obtain access to documents which are held by the government affecting them or which are relevant to major public issues. It is detrimental to any democratic system if a government keeps concealed within its cloisters information that can inform and assist the public in reaching a proper decision on matters of public importance.

The Opposition was pleased to support the freedom of information legislation when it was introduced. At that time we were prepared to accept that the government was genuine in its wish to have freedom of information. The Opposition was prepared to accept that the then Premier, Mr Cain, really believed the public should be properly informed whenever the government was coming to a decision on some matter of public importance.

There has been a tragic sequence of events in which the government has done everything it could to thwart the operation of the freedom of information legislation. A troubled and increasingly beleaguered government has tried to control the release of information. Indeed, people began to refer to freedom of information legislation as freedom from information legislation. The government has repeatedly used and abused all the exemptions in the Act to conceal information.

My Leader, Mr Birrell, has had to fight his way through the Administrative Appeals Tribunal, the Supreme Court and even the High Court to gain access to information from time to time because of the government's attempt to thwart the substance of the principal Act. Although the Bill does not deal with all the principles of the Act it does try to pick up some of the major issues affecting the Act, and in a way that really negates the spirit of the Act.

The Bill seeks to deal with a decision of the Administrative Appeals Tribunal concerning the circumstances where an agency replied to an application for an exempt document by saying that it neither confirmed nor denied its existence. The tribunal decided that this response was inappropriate if a document did not exist. In other words, to say that one neither denies nor confirms the existence of a document does not meet the Act's requirement for the tribunal to decide whether a document exists, whether the document should be made available under the Act, or whether some exemption entitles the government to refuse to make that document available. The AAT said it could not make such a response if the document did not exist.

Therefore, the agency had to disclose whether the document existed, which had an unfortunate side effect. The provision means that certain applicants could discover whether warrants or orders for surveillance and so on exist. These types of documents are an essential part of the law enforcement apparatus of our community. If an agency were required to disclose whether such a document did or did not exist that could have a profound effect on the ability of the law enforcement agencies to undertake their tasks.

The government took the view that the Act should be amended to enable agencies to refuse to confirm or deny the existence of a document if the document falls within certain types of exemptions under the Act. The major reason for doing that is to give effect to the real needs of law enforcement agencies to undertake their tasks.

The Opposition does not have any problems with that. It understands that law enforcement is a central part of the apparatus of the operation of any society and that it should not be thwarted, as it were incidentally, by the operation of the freedom of information legislation. The Bill will apply that principle or that response to Cabinet documents.

The Legal and Constitutional Committee of this Parliament conducted a major investigation of the operations of the freedom of information legislation and produced an illuminating and worthwhile report. It is a matter for considerable regret that the then Premier, the Honourable John Cain, attacked the Legal and Constitutional Committee for the report it introduced. If ever any evidence were needed that the government was not serious about freedom of information that attack provided it.

Hon. Robert Lawson—Whatever happened to John Cain?

Hon. HADDON STOREY—Well, the shadow lingers on because the influence of John Cain and his obsession with the protection of Cabinet documents can be found in this Bill. The government under John Cain took the view that the way of getting around the freedom of information legislation was simply to declare a document a Cabinet document because Cabinet documents were exempt from the freedom of information legislation. The wider one extended the ambit of Cabinet documents, the more documents were protected from disclosure.

Hon. B. A. Chamberlain—Mr Cain wanted to be judge of what was a Cabinet document.

Hon. HADDON STOREY—Mr Chamberlain interjects that Mr Cain wanted to be the judge of them too. One can just imagine the Premier judging whether a document should be exempted from the freedom of information legislation! Mr Cain introduced legislation to this Parliament to give him the power to decide what were Cabinet documents and what were not Cabinet documents, and the government went even further by trying to introduce regulations to give the Premier that power, which thwarted the operation of the freedom of information legislation without even letting Parliament debate the issue.

The new Kirner government—if it is a new government—has exactly the same attitude. It does not want anyone to have access to the documents it holds. It wants to try to protect any extended version of Cabinet documents from disclosure because it takes the view that freedom of information is a great PR exercise so long as those in government do not have to release any documents.

The Bill also applies to Cabinet documents. The Opposition is prepared to accept the view that in order to protect our law enforcement agencies and their operations, the main purpose of the Bill should be supported, but it is not prepared to accept the extension of that principle to Cabinet documents. The report of the Legal and Constitutional Committee examined the whole question of Cabinet documents and produced a series of recommendations on what the Act should say about Cabinet documents. The coalition recognises that that is a worthwhile package of reforms which ought to be considered. The government has simply ignored that package of reforms and introduced a Bill that picks up one of those reforms but ignores all the others.

The Opposition does not believe it is appropriate to allow the government to pick and choose which of the recommendations of the Legal and Constitutional Committee the government should adopt. The government ought to be prepared to accept the package that was put up by the committee, or if it is not prepared to do that, it should be prepared to say so and allow debate on the issue. To pick out only one of those recommendations to suit the government and ignore the rest is unacceptable.

Hon. G. A. Sgro—Did you read the minority report first?

Hon. HADDON STOREY—The most interesting thing about that committee is that the Premier was actually forced to retract his attack on it because the Labor Party members of the committee who supported the majority report stood the Premier up and said they would not put up with that sort of nonsense, and so they should have done because a report that captures the votes of the Liberal Party, National Party and Labor Party members of the committee with perhaps one exception obviously has much going for it. In a democratic society we recognise that one person should be able to have a separate opinion but we too rarely accept that opinion which finds agreement amongst the majority of a committee, particularly in such a large majority of a committee as in this case.

I am surprised that the government has gone along that track and refused to accept the well thought out and debated report of that committee, picking out something simply because it seemed to suit its purposes. The coalition is prepared to allow the Bill to pass, but only after seeking to amend it to remove the provisions dealing with Cabinet documents. The whole issue of Cabinet documents should be debated properly when legislation that takes account of the all-party committee's report is introduced. I urge the government to bring in legislation to allow us to debate that whole issue. In the meantime, I indicate that in the Committee stage I will move amendments to the Bill to amend the provisions that allow that principle to apply to Cabinet documents.

Hon. D. M. EVANS (North Eastern)—I shall comment on the Freedom of Information (Amendment) Bill, aware of the fact that I was Chairman of the Legal and Constitutional Committee during the bulk of its inquiries and certainly during the preparation of the draft and final reports and recommendations on the Freedom of Information Act. It was a well constructed inquiry and the committee worked diligently and sought advice and submissions from a wide range of interested individuals on the issues involved. During the inquiry and investigations people of substance gave evidence, including a former Premier, Sir Rupert Hamer, in a most erudite, important and influential submission on the issue of Cabinet documents. His submission was supported by another former Premier, the Honourable Lindsay Thompson.

The committee travelled to Canberra and took evidence from academics and journalists on the operation of the Federal Freedom of Information Act and at one stage the committee was told in evidence by a senior journalist that the manner in which the Prime Minister allowed the Freedom of Information Act to operate federally had not only provided a free flow of information which was of value in the democratic process but also by giving that information freely had generally defused the issues that appeared to be of some importance in Victoria and, in particular, of some degree of sensitivity to the then Premier of this State.

In addition to that senior members of the Federal Opposition, especially the Honourable Neil Brown, gave evidence to the committee about the inhibition placed on those who sought information under the Freedom of Information Act by the application of substantial costs by the government department for provision of information under the Act. This issue was certainly taken on board by the committee, as appears clearly in the recommendations.

In the course of its investigations the committee took evidence both written and orally from representatives of a number of government departments in order to determine the effects that the Freedom of Information Act may have on the operation of those departments to ensure that any detrimental effects would be taken into account by the committee in framing its recommendations. Again the evidence given by those senior departmental officers was of value to the committee in determining that final result.

Finally the committee took evidence from the then Premier, the Honourable John Cain. In fact he was the first witness to appear.

Hon. W. A. Landeryou—He was an excellent witness.

Hon. D. M. EVANS—He made a substantial contribution to the committee and the committee took into account the submissions made by him and compared them with submissions made by two former Premiers who also gave significant evidence to the committee. Of course, at that time the two former Premiers were in a somewhat more aloof position and being apart from the hurly-burly of politics were able to make considered judgments on those issues given their experience in that area.

As Mr Storey said, even though the recommendations were generally supported by the majority of committee members, and in some cases unanimously supported, the committee's report was placed under some degree of attack at the time it was released and tabled in Parliament. It was unfortunate that the attack came so soon after the release of the report because the report had been tabled barely half an hour before the committee was aware of substantial criticisms, especially from the Premier's office, and that was not a good tactical move because it would be reasonably assumed that neither the Premier nor his officers had had time to read the report prior to launching their attack. I must admit I found that procedure less than estimable and not giving the due respect to the work of the committee which it really deserved because, as I said, the report and its recommendations were mild indeed.

The recommendations were well researched. They gave due credit to the fact that the original Freedom of Information Act which was introduced by the Honourable John Cain as Premier and Attorney-General was generally a pretty good Act and the committee believed the recommendations that were necessary to finetune it were relatively mild and relatively small. We would have thought the Premier and the government at the time would have picked up those recommendations and gone with them.

I believe it was in the minds of committee members at the time they framed their recommendations that things change in politics and that members of the Liberal and National parties were more than aware that should their recommended changes be taken up by the government and put into legislation they in government in due course would have to conform to the additional requirements recommended by the committee. That meant the committee was taking a long-term view in dealing with this measure.

Coming back to the Bill, it deals with one small aspect only and I guess the real disappointment is that given the breadth of the committee's report other aspects were not dealt with. The Bill draws on the committee's report only in regard to recommendation No. 2 which states:

> The committee recommends that the Freedom of Information Act be amended to provide that wherever a request is made for information of the kind described in s. 31 (1) (*c*) then the agency receiving such a request must, pursuant to the provisions of the Act, neither confirm nor deny the existence of the document.

The reason the committee recommended this course of action was that evidence was given to the committee that there were occasions where a person's life could be placed in danger because of information given, apparently in confidence, to a government instrumentality or agency. If an application under the Freedom of Information Act were made about whether a person lodged information with the agency, if the agency simply said that the information could not be released, to an astute applicant that would be confirmation of the existence of a document and, without knowing the contents, sufficient justification for that person, the subject of the inquiry, being placed in substantial personal danger, indeed in danger of his or her life.

It was felt on all occasions that the agency should simply take the course of neither confirming nor denying the existence of the document and indicating that that was the normal procedure followed on every occasion and therefore could not be taken or construed that the document or any document in fact existed.

The government has not picked up recommendation No. 3:

> The committee recommends that s. 31 (1) (*e*) of the Freedom of Information Act be amended to provide that wherever the disclosure of information is reasonably likely to endanger a person's life or physical safety, disclosure should be prohibited.

I note that the recommendation has not been picked up by the Bill. Not only does the government pick up only a minor part of the report—a very good report by the Legal and Constitutional Committee—it even fails to pick up the full sense and understanding of the reasons behind that recommendation.

I express my concern that the government has taken such a long time to consider its response to the report and recommendations of the committee. Matters of major substance in the report have still not been dealt with. The committee felt itself constrained to chase the government and remind it of the provisions of the Act under which the committee operates that a response must be provided within six months of the date of tabling of the report. It was many weeks after that final date before the government's response was tabled. The response and the Bill fails totally to deal with other major issues raised in that report. For example, the committee recommended on the advice of a majority of witnesses that local government in this State be brought within the ambit of the Freedom of Information Act by legislation and that legislation be introduced to bring that about. That legislation is still not forthcoming.

Further, in dealing with the issue of Cabinet documents and Cabinet confidentiality, confusion has often arisen as to what constitutes a Cabinet document. Accepting, as it should, the issue of Cabinet's confidentiality, that the Cabinet oyster should be preserved and maintained, at the same time the committee was at some pains to clearly define those documents which should be regarded as Cabinet documents.

As I indicated earlier the Legal and Constitutional Committee accepted and acted upon the forthright and lucid definition of what should constitute a Cabinet document provided by the former Premier, Sir Rupert Hamer, and backed by another former Premier, Lindsay Thompson. That is clearly part of the recommendations of the committee.

Further, the committee recommended that in issues of dispute over voluminous requests the Ombudsman should act to determine whether a request is voluminous, and in the case of a dispute as to what constitutes a Cabinet document recommendation No. 20 is that the final review of the classification of Cabinet documents be conducted by the Administrative Appeals Tribunal and the courts rather than by the government or Parliament.

The reason for this is that it was felt that this was a clear case where it was essential that an independent umpire arbitrate—on disputes as to what constitutes a Cabinet document and what does not. Again I direct to the attention of the House the evidence, which appeared in the transcript, given to the committee in Canberra by a senior journalist on the *Canberra Times* concerning the action taken by the Prime Minister in this matter and the fact that, generally, apart from those that by their content reveal the deliberations of Cabinet or the internal decisions of Cabinet, documents should be made available, particularly those of a statistical or financial nature.

The reason for accepting that course was that it was felt that democracy and good government in this State and elsewhere were best served by having an Opposition as well informed as the government to ensure that the best possible debate took place.

The committee, in its final recommendations, was mindful of the report of the Fitzgerald inquiry into corruption in Queensland, a significant chapter in which recommended that the Queensland Parliament and the Queensland government should, in due course, enact legislation to introduce freedom of information provisions into that State. Indeed, since then a committee of the Queensland Parliament has visited Victoria, and I had discussions with that committee as Chairman of the Legal and Constitutional Committee.

The Queensland committee has a requirement to consider and recommend on the introduction of freedom of information legislation into Queensland. None of these sensible and valuable suggestions to finetune the Freedom of Information Act has been taken up by the government, and of the 31 recommendations made by the committee one only, and a relatively minor one, and in part only has been picked up at this stage. Of course, the report was tabled in the Victorian Parliament on 15 November 1988, two years and two weeks ago. The House should be aware of the tardiness of the government in taking up what was a recommendation on an all-party basis.

The substance of clause 3 of the Bill, about the leaking of information, is not one with which we could quarrel and the need to be able to neither confirm nor deny an ordinary document is not a problem. However, the provisions regarding Cabinet documents are of concern.

There is no reason why, with amendments, the Bill should not pass, but again I direct attention to the government's tardiness and almost irresponsibility in not responding to the forthright recommendations of the committee by bringing in a further series of Bills to put into place the recommendations made by the committee in 1988.

Hon. R. A. MACKENZIE (Geelong)—I have listened with considerable interest to both Mr Storey and Mr Evans, and I was hoping that a government member would have responded to some of the arguments put forward because although it is a small Bill it raises some serious concerns.

The arguments in the second-reading speech hardly convince me that I should support the Bill. In all legislation it is important to go back to basics and examine the proposed amendments; the Freedom of Information (Amendment) Bill, as the title suggests, provides the citizens of this State with the ability to obtain information, but these amendments do not act in the spirit of the principal Act because finding out information is finding out the truth. That is what it is about and that is what the original legislation was intended to do; it is to allow the citizens of this State the ability to find out the truth.

Admittedly certain documents should be exempt but this Bill refers to whether or not a document sought by the applicant exists and the right to actually deny the existence of that document. That is a denial of the truth and a denial of a fundamental right of the citizens of this State.

The explanation given to us by the government in the second-reading speech referred to the instance that triggered the amendment and stated that this approach was used frequently in responding to an applicant who sought from the Victoria Police access to any warrant authorising the use of a listening device on his telephone.

If we are altering the legislation and taking away a fundamental right of people to know whether a document of that nature is in existence I cannot see why that instance would cause a great deal of concern. If I wanted to know whether the police were tapping my phone and I was so concerned that I actually made a freedom of information request, to have reached that stage I must have been fairly sure that they were and therefore I would have stopped using the phone that I believed they were tapping.

Lawbreakers who have sufficient intelligence to use the freedom of information system would be smart enough to know that if the police were tapping their phones the best thing for them to do would be to use public telephones. Because of one specific instance we are introducing an exemption for a whole range of documents, and that worries me.

Mr Evans raised several interesting points. He said that the committee considered those specific cases where someone's life may be endangered and included in its report a recommendation that covered such a situation—and there is no doubt that there may be an instance where someone's life is endangered by having that document made available. The committee recommended ways of overcoming that, but the Bill does not. It cuts across the fundamental citizen's right.

Another point raised by Mr Evans about which I am concerned—and he is quite right to raise it—is the lack of response from the government to the all-party committee. One of the great achievements the government should be remembered for is the widening and reforming of the Parliamentary committee system. All of those who are honest enough to admit it would remember the old committee system. Those committees did not operate in the correct way. In fact they operated very badly, but at least the government reformed the Parliamentary committee system, and everyone should congratulate the government for what it did in that regard.

But it all falls a bit flat if, having carried out that reform and having all-party committees which gather information, nothing is acted upon. The committees are like a mini-Parliament in themselves. They argue and debate and take in information and they put forward recommendations.

Those recommendations of the committee are put after much deliberation by a mini Parliament for the government's consideraton. If the government ignores the recommendations of the committee it does so at its own peril. The arguments contained in the second-reading notes do not convince me that I should support this Bill. I will vote against it and I will be listening with much interest to the arguments of Mr Storey and other speakers, including those from the government back-benchers, when the Bill is subjected to amendment in the Committee stage.

The Bill cuts across the spririt of freedom of information. I am surprised the government seeks to do that and that there are not more government members who are concerned at this further withdrawal of the rights of Victorian citizens. For those reasons, I oppose the Bill.

The PRESIDENT—Order! Before I put the question, Mr Mackenzie has said he wishes his dissent to be recorded. To do that without a division requires the leave of the House. Is leave granted?

By leave, Mr Mackenzie's dissent will be recorded.

Motion agreed to.

Read second time.

Ordered to be committed later this day.

PETROLEUM (SUBMERGED LANDS) (FURTHER AMENDMENT) BILL

Committed.

Committee

Clauses 1 to 17 agreed to.

Clause 18

Hon. B. A. CHAMBERLAIN (Western)—I move:

1. Clause 18, line 12, before "The" insert "(1)".

Amendment agreed to.

Hon. B. A. CHAMBERLAIN (Western)—I move:

2. Clause 18, after line 13 insert—

'(2) In section 152 of the Principal Act, after sub-section (4) insert—

"(5) Regulations prescribing fees under the Principal Act may be disallowed in whole or in part by resolution of either House of Parliament in accordance with the requirements of section 6 (2) of the *Subordinate Legislation Act* 1962.

(6) Disallowance of a regulation under sub-section (5) must be taken to be disallowance by Parliament for the purposes of the *Subordinate Legislation Act* 1962.

(7) If, under sub-section (5), either House of Parliament disallows a regulation, no regulation which is the same in substance as the disallowed regulation may be made within 6 months after the date of the disallowance, unless the resolution to disallow the regulation has been rescinded by the House of Parliament by which it was passed.

(8) Any regulation made in contravention of sub-section (7) is void.".'.

Amendment agreed to; amended clause agreed to; schedule agreed to.

Reported to House with amendments.

Report adopted.

Passed remaining stages.

WILDLIFE (AMENDMENT) BILL

Second reading

Debate resumed from earlier this day; motion of Hon. B. T. PULLEN (Minister for Education).

Hon. M. A. BIRRELL (East Yarra)—I welcome the opportunity of speaking on this Bill. The government is incompetent because the Bill has been around for more than twelve months, when it was introduced in the Legislative Assembly, and the circulated second-reading notes of the Minister refer to a department that no longer exists, namely the former Department of Conservation, Forests and Lands. This Bill is symbolic of Bills that the government introduces and says are urgent, yet fails to bring on for debate for more than a year. That behaviour indicates that the government does not have its heart in these amendments; it has not proceeded with them with a necessary sense of commitment or urgency.

The purpose of the Bill has been outlined by the Minister. It will change the wildlife licensing provisions and it has an impact on the process of trade on wildlife in Victoria. Several powers were introduced by previous Liberal governments for the control and movement of wildlife in and out of Victoria and for the detection and prevention of illegal activities. They are historic powers that the coalition has strongly supported and reflect the great concern of many individuals in Victoria that its wildlife should not be subject to the actions of crude operators who have no concern for the wildlife or the public interest, and who, if they are not properly controlled, will act constantly against the public interest. Victoria needs strong laws to effect proper controls.

The Bill is an amendment to these laws and, while the Opposition accepts the proposal, it has some reservations. The current licensing provisions control the possession, trade and movement of wildlife. As the Minister said in his second-reading speech, without the controls on possession and trade the potential would exist for wildlife to

be taken unlawfully from the wild for commercial gain but without any mechanisms for protection. He also outlined other reasons for the controls.

Currently there are seventeen different licence categories under the existing legislation covering a range of activities conducted by private wildlife fanciers, wildlife dealers, wildlife processors, taxidermists, wildlife parks, and others. It is my understanding that about 9000 people in Victoria are authorised under the provisions of the Wildlife Act to keep birds, mammals and reptiles.

I commend the work of so many of those who act to ensure that wildlife is properly protected and cared for, and others who work within the laws of Victoria to ensure that when they are dealing with wildlife they do so in a sensible and reasonable manner.

It has been argued that the current law is "complex and difficult to administer". In response, the government is putting a proposal in the Bill that, while it has taken twelve months to have the provisions introduced into this House, will alter the licensing provisions and give extra power to the Director-General of the Department of Conservation and Environment.

The coalition is concerned that these powers could be abused by the department or the government and that in the long term the changes in the licences may not be in the interests of some of the individuals concerned, such as wildlife dealers, wildlife fanciers and those simply dealing with wildlife as a matter of their ordinary course of life.

The Opposition is prepared to allow the Bill to proceed on the basis of a wish to trust the government at its word and in the hope the Department of Conservation and Environment will be sensible and reasonable in its approach.

The Liberal government of the 1970s introduced the original legislation and in 1975 it introduced severe penalties to deal with those people who in some way act to threaten or harm wildlife in Victoria. The Bill will alter the current rule in that appeals against decisions by the department on matters under the current Act will be made to the Administrative Appeals Tribunal rather than directly to the Minister. That is a sensible proposal and I look forward to the Administrative Appeals Tribunal embarking on yet another field of endeavour to ensure it has expertise in this area.

The coalition is concerned that almost every session extra powers are given to the Administrative Appeals Tribunal without it being provided with additional resources. The tribunal is expected to be expert in every field, but it will be difficult for it to keep pace with the duties Parliament gives it.

That being said, it is with a sense of caution and some reservation that the Opposition agrees to the Bill. It does so on the basis that the protection of wildlife deserves the vigilance of Parliament. The proposals put forward deserve to proceed on the basis of the intentions expressed by the government and the department. The Opposition will constantly monitor the situation to ensure that protection and management of wildlife in this State reaches the highest possible standards.

The PRESIDENT—Order! In another place a problem arose with an earlier version of this Bill due to the absence of an absolute majority. The Bill creates a reference to the Administrative Appeals Tribunal in certain circumstances and, to that extent, could be deemed to usurp the jurisdiction of the Supreme Court. If that is so, the Bill clearly requires to be passed by an absolute majority pursuant to the provisions of the Constitution. In another place the Bill was ruled as requiring such a majority, and I propose to follow the same practice. Therefore, I ask the Clerk to ring the bells.

Required number of members having assembled in Chamber:

Motion agreed to by absolute majority.

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

Motion agreed to by absolute majority.

Read third time.

WESTERNPORT (OIL REFINERY) LAND BILL

Second reading

Debate resumed from earlier this day; motion of Hon. B. T. PULLEN (Minister for Education).

Hon. W. R. BAXTER (North Eastern)—The Bill is yet another example of the government's tardiness when it comes to getting its legislative program in order. The Bill was introduced to Parliament only last Thursday and because of its urgency the Opposition in another place agreed to its passage last Thursday so it would not be caught by the resolution of the Legislative Council not to deal with Bills that it did not receive before 10 a.m. last Friday. I place on record my disappointment that the government spent so much time messing around before it was able to bring the legislation to Parliament.

It is an important Bill because it facilitates the establishment of an important new industry in Victoria, an industry that will have capital investment running into millions of dollars and which will create within two years more than 100 jobs in the Western Port region. In anyone's language, that is a significant industry, particularly in Victoria which has suffered so badly due to the economic mismanagement of the State Labor government.

I should have thought the government would have taken every possible step to attract industry to the State and facilitate the establishment of industry. I should have thought the government would have been keen to try to make amends for the errors of its ways in driving business out of the State. However, the government has not learnt its lesson. In fact, the company that wants to establish the new industry wrote to the Minister for Planning and Urban Growth on 28 May this year—quite some time ago—and among other things said this:

> Allow me to introduce myself and my frustration with trying to establish an export industry on the shores of Western Port Bay.
>
> My company has a 70 per cent interest in Fisher Alufarm Pty Ltd; an aluminium boat building company combining the building facilities and expertise of Fisher Marine of Hastings, Victoria and Alufarm Marine of Goolwa, South Australia. This company has been successful in obtaining the third Australian licence to build international catamaran designed vessels subject to us obtaining a suitable waterfront manufacturing facility. As you know, the other two licensees (Hobart and Cairns-based companies) are fully booked up with huge export orders for the popular Australian designed wave-piercing catamarans, and hence export inquiry is now being directed to us . . .
>
> We need help! Is it the government's intention to commercially develop the Western Port region? Can I meet with you personally to further present my case? Please respond quickly.

That is a plea if ever I heard one!

Hon. K. M. Smith—What date was the letter?

Hon. W. R. BAXTER—It was dated 28 May. Nothing was heard from the Minister; deafening silence was the reply. The letter was sent to other government Ministers and departments including the Minister for Industry and Economic Planning. I should

have thought that the Minister would have been interested in getting that industry off the ground, but there was no reply. On 4 June 1990 the honourable member for Mornington in another place, who is the local member for the area, wrote to the Minister for Planning and Urban Growth reminding him of the letter of 28 May and urging him to meet with the company. That letter went unanswered for months. In fact it was answered on 17 October. On 11 September the Minister got around to answering the company's letter of 28 May in a rather cursory manner in a couple of paragraphs in which the company did not get much encouragement. The Minister says:

> I consider little would be achieved by meeting with you at this stage.

The government is sending the State bankrupt and yet it shows no inclination to assist a new industry which will be an export generator and an employer of more than 100 people with an investment of hundreds of millions of dollars. It is a disgrace that the government has shown no inclination to assist the company until very recently.

The Bill provides for the extinguishment of an easement that was granted to BP Australia Ltd under a 1963 Act which was entered into by a former government under the premiership of Henry Bolte and by BP to establish the Western Port oil refinery. The agreement granted an easement to BP so that it could access its refinery side from the Crib Point jetty so that pipelines could be installed and access could be gained. That was a desirable action that was taken by the government in 1963. Regrettably in 1985 the company decided to cease operations at Western Port. At that stage the company had a contract with Esso-BHP which required the ongoing use of the pipelines and the jetty and so there was still a need for that easement to remain in place.

The contract expired in 1989 and so currently the easement is not being used by BP Australia and a case can be made for the easement to be turned over to a more productive use. That was certainly the plan. Fisher Alufarm Pty Ltd would have thought that the government was finally, at long last, getting around to assisting that company and that the government would go to BP and get an agreement to surrender the easement, but it appears that that was not so.

Honourable members should bear in mind that the easement attaches to the freehold land and is in fact an asset of some value and ought not to be extinguished without good reason and perhaps not without some compensation being paid because the extinguishing of the easement will reduce the value of the freehold land owned by the company adjacent to the easement. I should have thought that proper planning and commercial considerations would have necessitated some discussions with the holder of the easement to see whether arrangements could be arrived at amicably. However, no discussion appears to have taken place. BP Australia communicated by fax with the Minister for Transport on 15 November and indicated that it was prepared to reach an agreement with Fisher Alufarm and/or the government to facilitate the establishment of the new industry and that it wanted the Ministry's assurance that whatever legislative changes had been proposed it would not proceed until the need for them had been discussed with the company.

On 22 November 1990 the company again communicated by fax with the Minister for Transport:

> I confirm your advice that the Ministry is not prepared to discuss the easement issue.

I find it extraordinary that the government is not prepared to discuss the extinguishment of this easement with the company that holds that easement. The company then says:

> . . . acquisition of our easement would involve an important loss to BP. We would have to make a very substantial compensation claim under the Land Acquisition and Compensation Act, probably in the millions of dollars.

That is the argument that was put by BP Australia to the government. I do not want the dispute to in any way hinder or impede the granting of a licence under the Act. Once the legislation is passed, Fisher Alufarm Pty Ltd can get on with establishing its business because there is a danger that if this is not done within the next three or four weeks the company will lose its patience with the government—and rightly so—and move to Goolwa in South Australia where there is a suitable site and a suitable building. The company could easily establish itself there. The only thing that is holding the company in Victoria is that the directors happen to live in this State and they would prefer to remain here, but if they are messed around they will move.

Hon. G. R. Graige—Another one!

Hon. W. R. BAXTER—Another business that will be driven out of the State by the inability of the government to understand when a company is making a huge capital investment that time is of the essence. Such a company cannot be mucked around for month after month and have its holding costs blown out. It is proposed that the easement granted to BP Australia in 1963 be extinguished and that a licence be entered into under the Land Act 1958 to grant part of the land on that easement to Fisher Alufarm.

The company requires only 50 per cent of the land covered by the easement. Why was not only part of the easement extinguished and BP Australia allowed to retain the balance which would give it access to the Crib Point jetty, which it may require in the future, and has required in the past and it would still have had the jetty approach road under its control? That piece of land is not required by Fisher Alufarm. I find it strange that the whole easement is being extinguished when only part is needed. The Minister may care to explain why this is being done.

The Bill provides for BP Australia to be granted a licence under the Lands Act for its pipelines which are currently on the easement. I have no objection to that although I am concerned about the wording in the Bill which gives the Minister power to impose any conditions on BP that he thinks fit. I should like some indication of what those conditions are likely to be, because I think BP Australia has been treated poorly. I ask the Minister to give an assurance that the company will be given a fair and equitable licence. I also ask for an assurance that when the Bill is passed and the easement agreement is extinguished the Department of Conservation and Environment will move posthaste to ensure that a licence is issued to Fisher Alufarm Pty Ltd and that the various steps that need to be taken are taken urgently.

I understand the Coastal Management Coordination Committee needs to make a recommendation to the department prior to the issuing of a licence. That committee comprises representatives of the Department of Planning and Urban Growth, the Department of Conservation and Environment and the Port of Melbourne Authority. We all know that when such departments are asked to make decisions the paper chase becomes very lengthy. I ask the Minister to say that the Coastal Management Coordination Committee will be required to carry out its inquiries and make its recommendations to the department as quickly as possible.

I also ask the Minister for an indication of what the annual rental fees will be. I know it is government policy to charge 8 per cent of the capital improved value of the site in rental fees. At this stage it is not known what the capital improved value will be because the Valuer-General has not made a valuation and I understand that will not be done until after the easement is extinguished.

I should have thought it would be desirable to do everything possible to ensure that the industry does not go to South Australia and is established in Victoria. The government should be prepared to put aside that formula at least for the time being to

negotiate with the company a fee that is acceptable to both sides. On the one hand the company should feel it is getting a fair go, and by not sticking rigidly to that formula the government would ensure the location of the industry in Victoria. I ask the Minister to also take those matters into account.

Local members of Parliament, Mr Smith included, are keen to see the industry established in Western Port because it would generate employment in the region. I do not think I am downgrading the region by saying that unemployment is a problem in the area. This private enterprise initiative does not require a substantial injection of capital by the government but simply a bit of fast footwork to cut red tape and the charging of a rental fee that, although somewhat less than would be charged under the current formula, would assist the company in establishing the venture.

I ask the government to be more accommodating, otherwise the State will lose the venture. The Western Port Development Council has done an extraordinary amount of work to ensure that the industry is established in Western Port. In particular, Ron Mason, the executive director of the council, has devoted a great deal of his time to the project, as have many people in local government.

The prize is within our grasp; but if there are more delays the prize could stay out of reach. I know the Bill is not the direct responsibility of the Minister for Industry and Economic Planning but I urge him to take an interest in the matter to ensure that the licence is issued with the minimum of delay, because he should be vitally concerned with the establishment of a new industry in Victoria.

Hon. K. M. SMITH (South Eastern)—I support the Bill because at last it seems that the work of those who have done so much for Western Port is coming off. It has been a long, hard battle for people in Hastings and the Western Port area in general and the members of the Western Port Development Council in particular to get the project up and running. The government has not always bent over backwards to assist the establishment of industries in the area. The move to Western Port of Marshall Lethlean Industries Pty Ltd, which is a builder of aluminium catamarans of international standard, will be a boost to the region.

I am appalled, as is Mr Baxter, by the delays in the project caused by the government's failure to answer the pleas from Mr Williamson from Marshall Lethlean for something to be done quickly to ensure that the industry stays in Victoria at Western Port. It is disgraceful that six months have gone by before any action has been taken. The venture will lead to the creation of at least 100 skilled and semiskilled jobs on site; and more jobs will be created indirectly in the Western Port and Hastings areas as local industry is stimulated by the venture.

When BP Australia Ltd closed its operation many people left the area because of the lack of employment opportunities. I am sure the Minister for Industry and Economic Planning will be aware of the problems in Western Port caused by unemployment and of the boost in employment that would result in the project getting off the ground.

Ron Mason from the Western Port Development Council has worked diligently for the success of the project. At long last it looks as though he is on a winner—without a lot of help from Mr White, despite his being given the nod by Cabinet to look after development in the region. I have been advised that the Minister for Industry and Economic Planning has not gone out of his way to ensure that the Bill is put on the fast track. The passage of the Bill through Parliament will not be the end of the story. The Minister must take action to fast track the venture through the bureaucratic maze it still faces.

I shall not speak about the technical details of the leases referred to in the Bill, because they have been well covered by Mr Baxter. I am pleased that the venture will come to

Western Port, and I am pleasantly surprised that the government has chosen to stay with the venture and to discourage the company from moving to South Australia. I was speaking to Mr Williamson about the venture only a week or so ago. He told me that the company has advance orders and that the venture must very quickly get off the ground if those orders are to be met.

It is still possible for the company to go to South Australia. The government cannot wait for things to happen; it must take action to get things moving. I am pleased the Bill is being debated and that it will soon pass Parliament. It is up to the Minister for Industry and Economic Planning to ensure that his bureaucrats work hard to see that the project quickly gets off the ground. I wholeheartedly support the passage of the Bill and I thank the government for acting as quickly as it has.

Motion agreed to.

Read second time.

Third reading

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—By leave, I move:

That this Bill be now read a third time.

I thank both Mr Baxter and Mr Smith for their comments. In relation to Mr Baxter's point about part of the land being retained for BP's use, I am unable to give him an assurance in a policy sense that the government is in a position to act on the proposition he puts forward. I am happy to take it up with the Minister for Transport to see what steps he is prepared to take to consider the proposal. I thank Mr Baxter for the suggestion.

With regard to the issues surounding industry developments in Western Port put up by both Mr Baxter and Mr Smith, I will take the opportunity at the end of the debate to have a further discussion with Mr Smith to see what steps my department can take in addition to the work currently being done to try to realise that proposal. I thank honourable members for their support of the Bill.

Motion agreed to.

Read third time.

DEBITS TAX BILL

Second reading

Debate resumed from earlier this day; motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning)

Hon. R. M. HALLAM (Western)—The coalition parties do not oppose the Debits Tax Bill. I report that we are not exactly rapt with the fact that we are required to give up an opportunity to remove a tax imposed on the Victorian taxpayer but in this instance we are quite literally left with no alternative. The facts are that the Commonwealth has us by the whiskers and we will not impede the passage of the Bill.

By way of background I should explain—it would be obvious to anyone who operates a bank account in Victoria—that we have two taxes imposed on banking transactions. Firstly, we have financial institutions duty imposed on deposits; that is a State tax imposed on credits. In addition, we have a Federal tax levied on debits. In other words, those trading with a bank get caught coming and going. The old saying that

there are only two things in life you can rely on—taxes and death—is probably pretty true.

Last July the Commonwealth government announced it was vacating the field of bank account transfer taxes on the basis that it would leave the field vacant for the States to take up that void. Before anyone gets carried away with that indication of largess or benevolence by the Commonwealth, let me also point out that the sting in the tail of that announcement was that in return for that change in taxing profile the Commonwealth government had insisted upon a reduction of a similar amount in our financial assistance grants. In fact, all we have really done is gone up and down in the one spot.

It is reported in the second-reading speech on this Bill that this is a step towards improved Commonwealth–State financial arrangements. That may be so, but if it is a step towards improved financial arrangements it is a very small step—probably closer to a stumble! In the Commonwealth Budget, delivered in the Commonwealth Parliament on 21 August, there was an announcement that there would be a reduction in assistance grants to the States applying from 1 January 1991. In Victoria's case that reduction was to be $50.1 million for 1990–91—the part-year covered by our current Budget—equivalent to $100.2 million in a full year, which probably explains why the announcement grabbed the attention of the Victorian Treasurer and might also explain why the Bill is now before the House. As a Parliament we are required to respond to the announcement because if we do not have a Bill processed to put in place the change in arrangements it will cost Victoria very dearly.

The Treasurer has said it makes good sense for the States to react collectively in a uniform way to the announcement of the Commonwealth. I have no argument at all with that; I agree it makes good sense, but that does not mean it can be easily achieved. In that circumstance we have a number of choices: collectively agree to retain the tax structure we already have with the names and the bases upon which they are levied; amalgamate them for the sake of simplicity; or have some sort of compromise. All of those choices would require the circumstances to be negotiated between the States. If there is one thing for which the States are known it is their individuality; it is not likely we will be able to reach a compromise agreement between all the States by the deadline of 1 January.

To overcome that situation our big-hearted Commonwealth has said it will collect the tax on our behalf if we agree to the change in the system—if we say yes to this Bill we are told the Commonwealth will collect the tax on our behalf and, if necessary, will do so up until the end of 1992 and pass the proceeds over to the Victorian Treasury. That explains quite graphically the size of the barrel the Commonwealth has us over; if we do not legislate to acknowledge our acceptance of this new arrangement, the Commonwealth will not collect the tax on our behalf and in that instance we will miss out. We would also miss out to the extent that our Commonwealth grants would be reduced by a similar amount.

As a word of warning I add that we are told the reduction in the Commonwealth grants will be equivalent to the tax the Commonwealth is forgoing. However, no-one has given us the formula. I suspect there may be a variation when the compensation—I use the word advisedly—is ultimately determined. There is simply no way of tying down that figure. We are now told our share of the total take under the Federal government's existing tax structure is $50.1 million—I think its total take is about $180 million—but there is no way of knowing that in the future what we are giving up will be fully compensated. That is an argument for another time but explains why the Opposition approaches this Bill with scepticism.

The Commonwealth is in a magnificent position; it is on a win to nothing and we have very little choice. This Bill provides the interim arrangement under which the Commonwealth offer may be taken up. In other words, we are agreeing by the passage of this Bill to have the Commonwealth collect the existing tax on our behalf, which gives us the breathing space in the interim to negotiate with the other States and hopefully reach a uniform stance. In essence there will be no external change in the taxes at all; bank customers may not even know there has been a change in the arrangement.

If it is decided collectively amongst the States to retain the existing profile the customers will not even notice the difference in the long term and much less in the immediate future. All that will happen is the tax collected by the Commonwealth in the past will still be collected by the Commonwealth, but on the basis that it will ultimately be passed to the States. In return $50.1 million will be deducted from the Commonwealth Grants Commission allocations in the next round. Processing this Bill and assuming that reciprocal arrangements are enacted by the Commonwealth—and I hate to raise that question mark but I suppose it is still there—will allow the revenue to be simply redirected.

If the Opposition refused the Bill the tax revenue and the grant revenue would be lost. The National Party and the Opposition see no choice other than to pass the Bill. It is clear that the Federal government has the whip hand and the stakes are fairly high; there is $50.1 million swinging on this deal within the current Budget. The Opposition has to give in; it has to acknowledge that the Bill needs to pass because of the circumstances I outlined. I must, with all the grace I can muster, announce that the Bill is not opposed by the coalition.

Hon. ROSEMARY VARTY (Nunawading)—I reiterate the comments of my colleague Mr Hallam in saying that the Opposition, while it cannot openly support the Bill, does not oppose it. The bank account debits tax—which as everyone knows is one of those little figures that appear on one's bank statements every month—is calculated on a varying basis, depending upon the amounts debited to one's bank or cheque account. Those amounts can vary by 15 cents for amounts of less than $100 and up to $2 for amounts over $10 000. As has been stated, while this is a new tax to Victoria it is a transfer of a current Commonwealth tax back to the States. As an interim measure the Commonwealth will continue to collect the tax and will remit it to the States. This tax by the Commonwealth is to be relinquished on 1 December 1990.

The Bill provides for the transitional arrangements for Victoria. This tax, which previously was a Commonwealth tax, now becomes a State tax and the provisions mirror those of the Commonwealth Act. But, as Mr Hallam so rightly said, it is dependent upon legislation enabling that to happen occurring at Commonwealth level. It is also intended that all other States should come into line as well. That has not happened yet but is in the process of happening.

This legislation adopts the provisions of the Commonwealth Act and facilitates the collection of the tax by the Commonwealth Commissioner of Taxation on behalf of the State. It also creates in Victoria offences in relation to the debits tax. Because of the transfer of the tax from Commonwealth to State, the Commonwealth will, from 1 January 1991, reduce financial assistance grants to the States to offset the revenue transfer. The effect of that will be $50.1 million in 1990-91 and $100.2 million in a full year. If the Opposition did not support the Bill there would be a decrease in the revenue that would flow from the Commonwealth to the States.

As my colleague Mr Hallam said, the Opposition does not oppose the Bill.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 21 and Schedule 1 agreed to.

Schedule 2

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—Mr Chairman, the amendment circulated in my name reads:

Schedule 2, page 10, lines 1 to 4, omit paragraphs (*a*) and (*b*).

I am informed that the effect of that would be to delete four lines from the Bill. The advice I have is that this is a technical amendment to correct a typographical error, but it is not clear to me that the words concerned are to be found earlier in the legislation. I presume that a repetition occurs in line 4 that repeats part of clause 3, but I am unable to confirm that. I foreshadow that I am acting on the presumption and advice that the typographical error relates to a repetition that occurs elsewhere in the schedule.

In introducing that amendment I should like to report progress and seek leave for the Committee to sit again on the next day of meeting to clarify that issue. I thank honourable members for the opportunity of introducing the amendment this evening. I will resolve the matter on the next day of meeting.

Progress reported.

ADJOURNMENT

Flight rules—Churinga Special School—Bulleen Primary School—South African student, Wodonga—Permanent teacher appointments—Traffic offences by government vehicle drivers—Alleged WorkCare fraud—Bentleigh West Primary School—Pirra Art Centre, Lara—Vocational Education and Training Act

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That the Council, at its rising, adjourn until tomorrow at 10.30 a.m.

I thank honourable members for their cooperation in progressing the legislative program. I hope it is an indication of what will be the spirit of the remainder of the week.

Motion agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That the House do now adjourn.

Hon. K. I. M. WRIGHT (North Western)—I refer a matter to the attention of the Leader of the House. While the matter concerns a report of a Commonwealth department, it is of significance to the people and government of Victoria. The report proposes a reduction in the safety of air travel between the Melbourne metropolitan area and regional centres such as Wodonga, Mildura, Swan Hill, Hamilton and Portland and therefore should be of considerable interest to the Victorian Tourism Commission and to all government departments that have officers travelling regularly between these locations and Melbourne.

A report entitled "Improving the Management of Australian Airspace" has been published by the Civil Aviation Authority. I place on record that once again country people are being treated as second-class citizens, as is clearly indicated on page 25 of the report, where the following statement appears:

> Recent studies show that the cost of providing current services outside controlled airspace far exceeds the revenue earned from users of that airspace. The proposal, together with the authority's consolidation and integration programs, addresses this problem by allowing delivery of a more cost-effective, flexible range of services commensurate with traffic demand and safety requirements.

So, once again country people and passengers on commuter airlines will be treated not only as second-class citizens but as though their lives are expendable. The reason I make the claim is that while the report refers to various classes of operations aircraft servicing regional centres will come under the category of class G operations aircraft travelling below 20 000 feet, and will not be required to be equipped with or to use radios. The risks involved in such a requirement are unacceptable, particularly on the frequently used routes, such as the Mildura–Bendigo–Melbourne route.

When an aircraft is coming into Mildura from 10 000 feet and another aircraft is climbing on exactly the same track and is not using its radio, the danger will be significant and accidents will occur. The replacement of frequent advice by flight service of other aircraft en route by a regulation to "see and avoid" is not acceptable. The time elapsing between two aircraft approaching each other is a matter of only a few seconds from when they are first sighted to when they whistle past each other.

On page 28 the report omits to point out that ICAO flight information service provides details of collision hazards to aircraft outside control areas and central zones; that is contrary to what is stated in the report. The dangers are exacerbated by the fact that visual flight recognition (VFR) aircraft will not be required to lodge flight plans or carry radios. Climb and descent in classes E, F and G aircraft will therefore be a hazardous procedure. Not all aircraft have good functioning radios selected to the appropriate frequency, or pilots who are proficient in their use.

I remind the Minister that in 1988 the then Minister responsible for aviation, Senator Morris, said in his second-reading speech on the civil aviation Bill that:

> It is the government's intention that the Australian Civil Aviation Authority will be required to give primacy to safety considerations over commercial ones.

The Minister's views have been disregarded in the published proposals. These days there is much talk of cost recovery.

The last point I make is that on average one farmer is leaving his or her farm every 2 hours. The population of regional centres is declining and the situation will arise where most Victorians are living in the metropolitan area unless cost recovery is forgotten and consideration is given to keeping people in country areas.

I ask the Minister for Industry and Economic Planning to take up the matter with his Cabinet colleagues. I have written material that I can give him in support of my request.

Hon. ROSEMARY VARTY (Nunawading)—I direct the attention of the Minister for Education to a matter concerning the Churinga Special School, which is run by the Roman Catholic St John of God brothers and has 35 residential students and 20 day students.

On 14 November the parents of the students were advised by letter that the school will close on 20 December. As a result the resident and day students will have nowhere to go. The parents were not involved in the decision; they were not consulted and the first they knew of it was when they received the letter. At this time of the year, even if

other places were available, it is almost impossible for the parents to transfer the children to other special school places.

A similar exercise has been gone through before. I refer to Irabina, which was in a similar situation: the intellectually disabled training centre and the special development school were split. The same difficulties have arisen in respect of Churinga.

I seek a reassurance that the Minister for Education is doing everything in his power to have immediate discussions with the brothers, particularly Brother Moloney, who is in charge of the school, to ensure the handicapped people are not forced to be abandoned on 20 December.

I have had lengthy discussions with the parents because some of them were involved in saving Irabina. Mrs Hogg will remember the battle we had to keep the division between the training school and the special school. I ask the Minister to give the matter top priority and to try to ensure the centre remains open for at least another six months and that if it is the final wish of the church that the centre be sold—for whatever reason—appropriate placements be found for the current students.

Hon. J. G. MILES (Templestowe)—The matter I raise is for the attention of the Minister for Education and relates to Bulleen Primary School. I refer to correspondence I have received from the secretary of the school council. The first piece of correspondence is dated 25 October 1990 and addressed to the Ministry of Education, Eastern Metropolitan Region. The letter states:

> The school council of Bulleen Primary School wishes to express its complete satisfaction with the standard of resurfacing of the asphalt south of the senior school building.

Mrs Pearn, the secretary of the Bulleen Primary School council, expresses a slight concern about the cost. The letter states:

> You may recall that in your letter earlier this year you stated that there was $23 000 remaining of the original $40 000 for the school council to complete the job under school council contract.

The school council is concerned about the cost of the work and the lack of detail provided by the regional office. The council seems to think the share of the cost that it might have to pay is more than it should have been and more than perhaps could have been spent if it had been done a bit differently.

However, apart from thanking the Minister for at least the resurfacing—even though it cost more than the council thought it should have—Mrs Pearn outlines the main concern:

> The heavy rain over the last fortnight has resulted in a considerable number of water leaks to both the senior and junior buildings. The water running down one wall in particular has caused paint work to deteriorate significantly. The school council requests that as a matter of some urgency you arrange that an inspection of the roof be conducted and a report prepared indicating what needs to be done to overcome the problem of the water leaks.
>
> I await your reply.

That letter was written on 25 October this year. A month later, on 23 November, another letter was written by Mrs Pearn to the same official of the Ministry of Education, Eastern Metropolitan Region, stating that no reply had been received to the letter of 25 October. Mrs Pearn also stated:

> Neither an acknowledgment of this request nor the information sought has been received.

Also the school council received no information about the cost of resurfacing, which it had asked for. The letter also stated:

> Attention was also drawn to the deterioration of the roofing material and a request for an on-site inspection and report was made. No contact with the school on this matter has been received.

> I request that these matters receive your attention so that the efforts being made by the Bulleen Primary School council to convince the community that "State schools are great schools" is true.

This copy of the letter was sent to my colleague in another place, Mr David Perrin. It was written in some sense of desperation because Catherine Pearn is really saying that the roof has been leaking for a month and the Ministry has not done anything about it; and also the Ministry has not acknowledged the council's request for information on the cost of the asphalting work, nor has it acknowledged the request to fix up the roof which has been leaking for a month.

I ask the Minister to examine the matter for the Bulleen Primary School council and at least make sure that Ministry officials respond to correspondence promptly.

Hon. D. M. EVANS (North Eastern)—I raise a matter for the attention of the Minister for Education. I refer to an article that appeared in the *Border Mail* on 16 November under the headline "Schools say no to student". Apparently, in pursuance of a policy of the Victorian Secondary Teachers Association, according to the article, secondary schools in Wodonga refused admittance to a white South African student who was, as I understand it, an opponent of apartheid, to enable her to continue her education at Wodonga.

It happens that I do not support apartheid. I believe it is proper that moves be made to dismantle the system which is an abuse of human rights.

Hon. D. R. White—That's a change for the National Party!

Hon. D. M. EVANS—I am on the record as saying I have great respect for Mr Nelson Mandela and an equal respect for the President of South Africa, F. W. de Klerk, both of whom are taking humanitarian action in trying to overcome the problems of that country. It is essential that both gentlemen get proper support if, indeed, South Africa is to come out of those problems without the violence that will destroy that nation and will have a severely detrimental effect on other nations in that part of Africa. I believe it is essential that I make my position clear. I have visited both South Africa and Zimbabwe in recent times.

I ask the Minister to take up the matter with the VSTA with a view to modifying its policy so that young people—on whom the hopes of the world to overcome prejudice surely must rest—can take part in exchange programs between nations so that they can learn. This young student, who is an opponent of apartheid and is prevented from having an education in a Victorian school because of prejudice in the VSTA, should have an opportunity to come here, see what a racially integrated society is like and take that message back to South Africa.

It is essential to the development of human understanding that such actions take place, and I ask the Minister to use his good offices to ensure that is the case. Surely there is nothing that a young person sixteen years of age can say that we have to fear.

Hon. B. A. CHAMBERLAIN (Western)—I raise a matter for the attention of the Minister for Education. This issue has been raised with me by the Glenelg Schools Administrative Council, which represents principals of primary schools. In fact, the council has written to the Minister in regard to the delays in permanent teacher appointments. In that letter to the Minister, the council expresses its concern at the delay in the whole appointment process for the 1991 school year. Although delays in appointments to fill temporary positions in the past have been fairly usual, the council points out that:

> this year we are faced with an inordinate delay in the filling of permanent positions. The effects on schools and their staffs are considerable, particularly in relation to planning for the 1991 school year. Teachers receiving appointments will be hard pressed to make the necessary arrangements to move to

new areas; some teachers will suffer severe financial hardship through having insufficient time to sell their homes.

The Minister will be aware that this will have particular impact on rural communities. The GSAC welcomed the appointment a week or so ago of the vice-principals, but it wants the whole process revved up so the teachers can know what the future is for 1991 without further delay.

Hon. J. V. C. GUEST (Monash)—I wish to direct my question to the Leader of the House. I hope that I might get him to resurrect the young David White who was the fierce and fearsome slayer of dragons and suspector of sin wherever it could possibly be found. I want to know what is the practice in his department and within the government in regard to traffic and parking offences committed by drivers of government vehicles. I also want to know what the government's policy is on this issue.

Only last night I was told by a former public servant who was in a position to know these things that there was a vetting process when some kind of notice or parking or traffic offence committed in government vehicles came in. I suppose it would be particularly important to look at the photographs taken by the red light and speed cameras, if only to touch up the photographs of the department head or to block out the face of the non-spouse sitting next to the department head or the Minister. But quite apart from such social niceties there is really a concern that, where fines ought to be paid by individuals, some vetting process takes place, and I wonder whether there is some policy which prevents this happening. I seriously seek an answer from the Minister as soon as possible.

Hon. R. M. HALLAM (Western)—I raise an issue for the attention of the Minister for Consumer Affairs, who is the representative in this place of the Minister for Labour. It is a WorkCare issue and it concerns the experience of two rehabilitation therapists who have been titled antifraud campaigners, Nigel Reece and Brendan O'Kane. They have written to each member of this Parliament about what is quite an extraordinary tale of woe.

It appears that these gentlemen were employed by a rehabilitation agent and claim to have exposed a giant scam under which government licensed rehabilitation providers had been ripping off the Victorian Accident Rehabilitation Council, the Accident Compensation Commission and WorkCare.

These people claim that as a result of their whistle blowing they saved those organisations many millions of dollars. They also say that as a result of their whistle blowing they have protected injured workers from exploitation, something the government should be interested in, and they say that they have saved the government from a further giant scandal.

Interestingly, they thought they were doing the right thing by lifting the lid off that scandal, but as a result of this action they have lost their jobs, their livelihood, and been black-banned by the industry. They are also facing huge legal costs, and these matters have placed tremendous pressure on their families.

For the past eighteen months they say they have been desperately trying to contact the Ministers who have been directly responsible for WorkCare—first, the former Treasurer, the honourable member for Doveton, and subsequently the current Minister for Labour. They claim they have not even had those requests acknowledged, much less taken up.

The problem is that when these people were dismissed by their employer for what they describe as this whistle blowing exercise, and they learnt they had been blackballed by the industry, they initiated an action to the Equal Opportunity Board. The board

ruled against the recommendation of government as voiced through the Victorian Accident Rehabilitation Commission and decided that it had jurisdiction to hear their application. The employer was not impressed with that ruling and appealed to the Supreme Court arguing that the Equal Opportunity Board did not have jurisdiction to hear the application. The Supreme Court, in its wisdom, ruled that the board had erred and set aside the application, which was fair enough except that it awarded costs against the two applicants who had not even been a party to the case and the costs in this instance amount to $19 000. They had no connection with that application to the Supreme Court, but they have had this huge sum awarded against them.

These two people were trying to expose the rip-off of the public purse. I am not in a position to verify the story but if even half of it is true it is an extraordinary story. The Minister for Labour should hang his head in shame if he has denied an audience to the two people involved in this story, which has had great exposure in the daily media. If the Minister has refused to listen to their story he is a worse Minister than I thought.

I ask the Minister to take up this issue with the Minister for Labour in the hope that Mr Reece and Mr O'Kane, who have lost their livelihoods, will be given a fair hearing. They are owed that if nothing more.

Hon. G. P. CONNARD (Higinbotham)—I direct to the attention of the Minister for Education issues raised in a letter I have received from the Bentleigh West Primary School at Brewer Road, Bentleigh, which is typical of more than a dozen letters that I have received from schools in my electorate.

The letter refers to the extreme difficulties that the school has following the recent Budget allocations. It refers to the reduction in the education expense allowance, which has created hardship for many families who rely on that assistance to buy books, shoes, clothes and support programs. The school is situated in a middle-class suburb, but it requires funding for these purposes. The letter refers to the reduction in the urgent maintenance and renovation funds. The school is an old school and has a long history of plumbing, guttering and drainage problems. These maintenance jobs can no longer be undertaken by the Ministry for Housing and Construction, so the school must undertake the repairs but it does not have the funding. The result is that these maintenance problems are rapidly becoming health and safety issues.

The loss of the 700 plus curriculum and support personnel throughout the system means that the school lacks the support personnel to test children for learning difficulties, to support teachers in the effective integration of children in the school and particularly to operate the language support and integration support programs. School cleaning has been reduced, which means that the school has had its entitlement reduced from 160 to 131 hours a fortnight. As I pointed out, the school has plumbing, guttering and drainage problems which have already caused a lowering of the health standards.

The school grant, although increased by 4.5 per cent, represents a real reduction of 1.5 per cent. The Minister well knows that electricity and gas costs have increased, as have other items. For instance, paper and copying costs have increased, which impacts on the children. The school improvement fund grant of $2500 has been cancelled and the Ministry of Education requires the school to upgrade its school policy and programs in published form, but this cannot be done through school funding. Bentleigh West Primary School is an old school and more than $40 000 has been spent on its maintenance over the past two years. It is an ongoing program which should be continued.

Hon. B. T. Pullen—How many students are at the school?

Hon. G. P. CONNARD—The school has more than 100 students. The result of the reduction in funding means that approximately 55 per cent of the finance required to operate the school is now coming directly from the local community. It is almost a disaster. I have received similar letters in this vein and I ask, as the local member, how I respond to such correspondence?

Hon. R. A. MACKENZIE (Geelong)—I raise for the attention of the Minister for Education, in his capacity as the representative of the Minister for Conservation and Environment and the Minister for Housing and Construction, a matter I raised several months ago regarding the state of the Pirra Art Centre at Lara, which is in danger of collapse.

The centre is owned by the government and is leased by two artists who have been living there since 1983. It is an historic homestead, the old Serendip homestead, and is an old building which is cracking badly so that the keystones over the archway are in danger of collapsing at any time. I raised this matter two months ago. The people living in the house are in fear of their lives because they do not know whether the building will collapse on top of them.

I asked the Minister to take up the matter urgently two months ago, but nothing has happened. I am informed that the Minister for Conservation and Environment does not have funding and that the responsibility is now in the hands of the Minister for Housing and Construction. A range of experts have looked at the building over the past twelve months and they know how to stop the movement, but they cannot renovate the building completely. Nevertheless, the building can be properly held up. I stress the urgency of this matter because the building is used by the public and if it collapses it may cause loss of life and, apart from that, the loss of the building, because if it goes funds will not be available to repair it.

I again ask the Minister to take up this matter with the responsible Minister, as I asked him two months ago and nothing has happened.

Hon. HADDON STOREY (East Yarra)—I raise for the attention of the Minister for Education a matter relating to the operation of the Vocational Education and Training Act and the providers of that training. Concern has been expressed by a number of people about the provision of training through private providers, and the way the Act may affect their registration and accreditation and perhaps their future.

I shall give two examples of that apprehension. One involves private hairdressing schools which, as the Minister will be aware, have been operating for many years and have always been treated as competent providers of education. Their students have been recognised within the industry. These schools are concerned about the way the assessment of whether their courses will get accreditation will be conducted and about their future and that of their students if they do not get that accreditation.

The other example concerns colleges which provide education in the entertainment industry, in particular the area of performing arts. I refer to places such as the William Bates Academy of Performing Arts, which has been operating for 30 years providing training to budding actors and entertainers. It is concerned about the way in which these provisions will be implemented and what its future will be.

Clearly there is apprehension amongst a diverse range of private providers that it is going to be difficult for them to obtain registration or accreditation and that this will be to the disadvantage of the students who attend these institutions. I should like the Minister to indicate the process which is being followed to determine which institutions are eligible under the Vocational Education and Training Act or will be regarded as conforming to the requirements under the Act and what will happen to the institutions that may be deemed not to provide the sort of training the State Training Board

considers appropriate, even though in many cases they have been satisfying students for 30 or 40 years.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—Mr Wright raised the issue of safety standards following the deregulation of the air industry, particularly for certain types of aircraft, and has provided further details including a draft letter which the government will use as a basis of correspondence with the Federal Minister for Transport and Communications.

The issue he raised, which is of the utmost importance, is that we must be vigilant in ensuring there are adequate air safety standards following deregulation, and if there is any cause for concern the government will take up the matter with the Federal Minister.

Mr Guest raised an issue regarding traffic offences and parking infringements by public servants and the responsibility of meeting obligations. I am happy to take up that matter with the appropriate Minister, and I do not treat seriously the asides he made during the course of his adjournment address.

Hon. J. V. C. Guest—Thank you.

Hon. B. T. PULLEN (Minister for Education)—Mrs Varty raised a question regarding the Churinga Special School which is operated by the Roman Catholic order, the St John of God Brothers. It is my understanding that it is not a registered school and relates mainly to Community Services Victoria and obtains its funding from the Commonwealth government. I am happy to do what I can to assist in the current situation, although at this stage I have not been approached to intervene in any way. I shall examine the matter and provide Mrs Varty with a response.

Mr Miles raised the question of the Bulleen Primary School and a letter which praises the quality of work done on the asphalt and finishes by indicating that the school is concerned about the slow response to leaks in the roof. I shall look into the details of the situation at the school and the reasons why there has not been a response to Mr Miles on the basis of his information and give him an answer.

Mr Evans raised the question of a statement by the Victorian Secondary Teachers Association relating to acceptance of a South African student. I am aware of it in general terms but not of the specific situation. I shall examine the matter.

Mr Chamberlain raised a question about the delays in appointments of teachers this year——

Hon. B. A. Chamberlain—Permanent positions.

Hon. B. T. PULLEN—It is late in the year and there have been difficulties in reaching agreement on a number of issues this year, which would be appreciated. Mr Chamberlain is aware that the establishments have been sent to all schools. I regret that it is later in the year than I would have hoped——

Hon. B. A. Chamberlain—They are going out, are they?

Hon. B. T. PULLEN—I understand they have gone out. I would be surprised if they had not. I can provide Mr Chamberlain with details in relation to the school if it is of assistance.

Mr Connard raised a question about a number of matters that were brought to his attention by the Bentleigh West Primary School in relation to reductions in budgets. It is already well known that there have been such reductions and the education sector, along with all others, is required to make savings, and they do have some effect. I point out that primary schools in particular are part of the agreement, notwithstanding

that they will receive 181 additional teachers in 1990–91 and 455 teachers over the next three years. The Ministry's resources are going into primary schools and I believe maintenance expenditure has been reasonable in relation to most schools, although it is not as high as I would like to see it at this time.

Mr Connard would appreciate that the level of maintenance on schools is related basically to the whole standard of the stock of schools. I have to say that the standard of building which took place all over Victoria when the Liberal Party was in government was not very high. There are a considerable number of light timber construction schools with cladding which were not intended to last as long as they have. The maintenance on those buildings is higher than on other forms of construction, and we are all paying for that now. I do not think any other State in Australia has the type of schools which was constructed with some expediency during that period, and it is a pity better investments were not made at that time.

I recently had a meeting with facility officers of all regions, and I am systematically addressing the question of maintenance and capital works on all schools. I have told those officers that I am giving priority to the matter, but I shall be doing it in a systematic way. It will require expenditure but it also requires an examination of the needs of particular schools. We are starting from what is not a good base in terms of the type of schools that were constructed during that period.
Mr Mackenzie again raised a matter for my attention. I had passed that question on and I will obtain for him an update on the current position in view of his concern.

Hon. R. A Mackenzie—But nothing has happened. It is two months!

Hon. B. T. PULLEN—Mr Storey raised a matter concerning the operation of the Vocational Education and Training Act and expressed concern about accreditation of certain providers, particularly in the hairdressing and entertainment industries. I am not aware of any problem in the processing of information, and I have confidence that it will be done fairly. I will arrange for information on the matter to be provided to Mr Storey. If that is not sufficient and Mr Storey lets me know, I will be happy to arrange a briefing if he wishes to pursue it.

Hon. B. W. MIER (Minister for Consumer Affairs)—Mr Hallam raised with me a matter directed to the Minister for Labour concerning rehabilitation specialists and their activities which he described as whistle-blowing and which, as a result, brought about bankruptcies and some form of litigation involving legal costs being awarded against them. I undertake to raise that matter with the Minister and, in turn, to advise Mr Hallam of the response.

Motion agreed to.

House adjourned 11.2 p.m.

QUESTIONS ON NOTICE

CROWN LAND IN VARIOUS MUNICIPALITIES

(Question No. 575)

Hon. M. A. BIRRELL (East Yarra) asked the Minister for Education, for the Minister for Conservation and Environment:

In the municipalities of Ballarat, Bendigo, Box Hill, Broadmeadows, Camberwell, Chelsea, Cranbourne, Dandenong, Geelong, Hawthorn, Heidelberg, Kew, Knox, Melbourne, Melton, Ringwood, Waverley and Williamstown, respectively:

(*a*) What are the names of each of the occupiers of Crown land?

(*b*) What is the current rental paid by each occupier?

Hon. B. T. PULLEN (Minister for Education)—The answer supplied by the Minister for Conservation and Environent is:

In view of the volume of the information being supplied I have lodged it in the Parliamentary Library for perusal by you and other honourable members.

RETIREMENT COUNSELLING SEMINARS—OFFICE OF PRICES

(Question No. 627)

Hon. B. A. E. SKEGGS (Templestowe) asked the Minister for Prices:

In regard to each department, agency and authority within the Minister's administration:

(*a*) How many retirement counselling seminars have been government funded or sponsored in 1989–90, indicating—(i) how many employees who have reached 50 years of age have attended; (ii) which person or organisation conducted the seminars, and what numbers could be accommodated at each seminar; and (iii) how many employees were eligible to apply to attend those seminars?

(*b*) What action is being taken to provide retirement counselling to employees within the Minister's administration?

Hon. B. W. MIER (Minister for Prices)—The answer is:

(*a*) The Office of Prices has not funded or sponsored retirement counselling seminars in 1989–90.

(*b*) Staff nearing retirement would normally be permitted to attend seminars run by the Victorian Public Service Association and the Early Planning for Retirement Association or interviews at the State Superannuation Board.

RETIREMENT COUNSELLING SEMINARS—ABORIGINAL AFFAIRS

(Question No. 629)

Hon. B. A. SKEGGS (Templestowe) asked the Minister for Aboriginal Affairs:

In regard to each department, agency and authority within the Minister's administration:

(*a*) How many retirement counselling seminars have been government funded or sponsored in 1989–90, indicating—(i) how many employees who have reached 50 years of age have attended; (ii) which person could be accommodated at each seminar; and (iii) how many employees were eligible to apply to attend those seminars?

(*b*) What action is being taken to provide retirement counselling to employees within the Minister's administration?

Hon. B. W. MIER (Minister for Aboriginal Affairs)—The answer is:

(*a*) The Office of Aboriginal Affairs has not funded or sponsored retirement counselling seminars in 1989–90.

(*b*) Staff nearing retirement would normally be permitted to attend seminars run by the Victorian Public Service Association and the Early Planning for Retirement Association or interviews at the State Superannuation Board.

RETIREMENT COUNSELLING SEMINARS—MINISTRY OF CONSUMER AFFAIRS

(Question No. 642)

Hon. B. A. E. SKEGGS (Templestowe) asked the Minister for Consumer Affairs:

In regard to each department, agency and authority within the Minister's administration:

(*a*) How many retirement counselling seminars have been government funded or sponsored in 1989–90, indicating—(i) how many employees who have reached 50 years of age have attended; (ii) which person or organisation conducted the seminars, and what numbers could be accommodated at each seminar; and (iii) how many employees were eligible to apply to attend those seminars?

(*b*) What action is being taken to provide retirement counselling to employees within the Minister's administration?

Hon. B. W. MIER (Minister for Consumer Affairs)—The answer is:

(*a*) The Ministry of Consumer Affairs has not funded or sponsored retirement counselling seminars in 1989–90.

(*b*) Staff nearing retirement would normally be permitted to attend seminars run by the Victorian Public Service Association and the Early Planning for Retirement Association or interviews at the State Superannuation Board.

Wednesday, 28 November 1990

The PRESIDENT (Hon. A. J. Hunt) took the chair at 10.32 a.m. and read the prayer.

CONSTRUCTION INDUSTRY TRAINING LEVY BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. B. T. PULLEN (Minister for Education).

TATTERSALL CONSULTATIONS (FURTHER AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. D. R. WHITE (Minister for Industry and Economic Development).

CORPORATIONS (VICTORIA) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. M. A. LYSTER (Minister for Local Government).

QUESTIONS WITHOUT NOTICE

BAYSIDE DEVELOPMENT

Hon. K. M. SMITH (South Eastern)—I refer the Minister for Major Projects to the Port Melbourne Bayside Development that he officially launched on 18 October and ask: is it a fact that the project has not been finalised because the Sandridge City Development Co. Pty Ltd has not signed leases with the Port of Melbourne Authority for Station Pier and the marina site?

Hon. D. R. WHITE (Minister for Major Projects)—The state of the Sandridge project is that the government has entered into a conditional agreement which will soon be finalised. The land transaction will formally occur at the end of the clean-up of the BP site, which will occur some time either in late March or April next year. By agreement of both parties the Sandridge consortium has been involved in commencing some roadworks and preparing other works to enable it to proceed with major capital works following the clean-up next year.

It is also correct that, as part of the agreement, arrangements will be made for the transfer of the responsibility for Station Pier to the Sandridge consortium. I believe there is an outstanding question relating to who will be responsible for the maintenance costs, and I look forward to working with both parties to have that matter resolved.

STATE INSURANCE OFFICE

Hon. R. M. HALLAM (Western)—I refer the Minister for Industry and Economic Planning to the government's decision to sell the State Insurance Office. Again I ask him to explain to the House how a sale to the government's preferred purchaser—the Transport Accident Commission—could be expected to generate a profit payable to the government.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—As the honourable member will be aware, it is now proposed by way of legislation being considered in another place that the State Insurance Office be put up for tender on the open market.

Hon. R. M. Hallam—You said that yesterday, Minister. I want to know how a sale to the Transport Accident Commission can generate a profit.

Hon. D. R. WHITE—It is clear that, if the State Insurance Office is to be put for tender, it is not possible at this stage to presume who will be the successful tenderer. If the Transport Accident Commission puts in a bid, it will be considered on its merits. Therefore, the question asked by the honourable member about the implications if a particular party should be the successful tenderer is, in light of legislation now before the other place, a hypothetical question.

Honourable members interjecting.

Hon. D. R. WHITE—In light of the government's policy decision honourable members in this House cannot presume who will be tendering. When the legislation is considered we will proceed with the tendering process. The government will consider any bid by the Transport Accident Commission together with the merits of other tenders.

It is quite clear that the Opposition proposed that it wanted the sale to be tested in the marketplace. We have indicated a willingness to do that but the Opposition has failed to get its act in order to enable the legislation to be passed this session. It has not considered the legislation or presented it to the party room because it is too slow. It will probably not be until the autumn session that the Opposition members get their heads together to discuss the legislation, and it will not be to the advantage of the State Insurance Office that the legislation has been delayed. The simple reason is that if there is uncertainty in the marketplace because of the Opposition's willingness to delay the legislation——

The PRESIDENT—Order! The Minister is now beginning to debate an issue that is not yet before the House. I call on Mr Ives.

ALBERT PARK SPORTS COMPLEX

Hon. R. S. IVES (Eumemmerring)—My question is also directed to the Leader of the House in his capacity as Minister for Major Projects. Following the International Olympic Committee decision in Tokyo the Premier of Victoria indicated that the government was still keen to proceed with the proposed major sports complex at Albert Park. Will the Minister advise the House of progress made on the proposed development?

Hon. D. R. WHITE (Minister for Major Projects)—I am pleased to advise the House that the government remains committed to the development of a major sports complex at Albert Park. The work carried out in the preparation of Melbourne's Olympic bid has provided a substantial basis for development of a top-class new facility for basketball, badminton, squash, swimming, table tennis, volley ball and

other activities. Existing facilities for those sports are, in many cases, in a poor state of repair and do not provide adequate accommodation for rapidly growing numbers of spectators.

In view of the IOC decision the complex will obviously be reduced in scale but will still be an excellent facility for hosting local, national and international events. The Major Projects Unit and the Department of Sport and Recreation have been requested to advise government on how best to implement the development at Albert Park. Their consideration will include changes to the proposed complex flowing the Olympic decision, staging and timing, funding proposals, management arrangements to ensure long-term viability of the new centre, public consultation with local government, sports bodies and existing leaseholders in the South Melbourne Cricket Club buildings, and town planning considerations such as car parking. I expect the work to be completed by May 1991 and will be happy to inform the House from time to time of any significant further development.

Hon. M. A. Birrell—So you can announce it before the election, but not build it.

Hon. D. R. WHITE—It will be within the life of this Parliament.

AUSTRALIA WEEK IN VENETO, ITALY

Hon. B. A. CHAMBERLAIN (Western)—I refer the Minister for Industry and Economic Planning to his defence last week of the $1 million expenditure on Australia week in Veneto, Italy, in July this year. Is it a fact that his Ministry was warned by Mr Donald Gibb, the Director of the Victorian Technology Centre, in February this year that there was a complete lack of appreciation by the organisers of the Italian trip of the export strengths of Victorian technology and an overemphasis on culture, food and wine? Is it also a fact that Mr Gibb withdrew from the Veneto project because of the failure of the Ministry to adopt worthwhile economic objectives for this extremely expensive junket?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—It is with regret that I hear the Opposition again casting aspersions on what was both a successful and an important project. We remain committed to the fact that the Italian community here and Italians generally, as part of the fifth largest economy in the world, have contributed substantially to both cultural and economic exchanges in this State and, to date, there has been a one-way exchange.

I also note that this was a first major venture and that post-February significant consideration was given to both the cultural issues that should occur in the Veneto project and the economic aspects of the project. I am also pleased to report that the Veneto region is considering a relationship with the State of Victoria for both cultural and economic exchanges in the future.

In addition to the announcement I made last week about Estel coming to Victoria as part of a major investment project and taking into account the advice we received in February and the advice of the Italian chamber of commerce, the venture was substantially changed in focus post-February in order to secure an effective investment.

I repeat it was a successful project. I repeat that not only is Estel coming to Victoria but trade groups from the Veneto region will be visiting Victoria explicitly as a by-product of that successful venture. I repeat that it is of some concern to me in this House that the Opposition picks out a project simply because of its ethnic origins and it is not surprising that the Opposition never casts any doubt on the cost of a Royal visit, whatever the trade or cultural benefits might be, and it is not surprising that the

same group of people in the Opposition who cast doubt on the Veneto project have no——

Hon. ROSEMARY VARTY (Nunawading)—On a point of order, Mr President, not only is the Minister not answering the question it seems to me he is casting aspersions on Royal visits. I take a very dim view of that and I ask him to withdraw the suggestion.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—On the point of order, I make it clear in respect of Royal visits that I said, and I repeat, that I drew an analogy between the attitude of the Opposition to ethnic events such as the Veneto project and Royal visits. Opposition members never cast doubts about Royal visits, whenever they might be. I also make it clear that it is totally appropriate in the context of the answer to this question to continue to explain to the House the economic benefits of this project.

The PRESIDENT—Order! On the point of order, there was a valid point of order to be made but it was not the one made by Mrs Varty. I ask the Minister to return to the question and to cease debating it.

Hon. D. R. WHITE—I make it clear that acting on advice that we received in February and around that period the nature of the project was substantially changed to secure the maximum economic and cultural benefits and also to ensure there was not a continuation of the one-sided relationship we have had with Italy whereby we are the beneficiaries of cultural and economic exchanges that have never been reciprocated.

What we expect to occur and what is now appearing through the Italian chamber of commerce and the Italian community via *Il Globo* is a significant element of distaste towards the attitude of the Opposition to the success of the Veneto project and it is not surprising that the people in the Opposition who are throwing the bricks do not have any representation in Parliament from any section of the ethnic community.

SURVEY OF SUPERMARKET PRODUCTS

Hon. W. R. BAXTER (North Eastern)—I remind the Minister for Consumer Affairs of his statutory obligation to ensure that consumers are not provided with information which is misleading or capable of misconstruction. In the light of the Minister's revelation yesterday that his survey of grocery prices covered 780 items, will he make available a list of the products, the details of the methodology of the survey and the names of the stores that were included in the survey?

Hon. B. W. MIER (Minister for Prices)—I thank Mr Baxter for his question. In actual fact it was my intention to make that information available and it has just been published in a public document. He could easily have picked up a copy from the Office of Prices. The details of the survey are set out quite explicitly, and it was my intention——

Hon. K. M. SMITH (South Eastern)—On a point of order, Mr President, the Minister was asked a question, and he is standing there waving a piece of paper around without giving any sort of relevant answer. It is all very well for the Minister to wave a piece of paper around but he should have it incorporated in *Hansard.* I am prepared to give him leave to have it incorporated, but he is not giving me or members of the Opposition an answer to the question.

The PRESIDENT—Order! On the point of order, I understand the Minister to be saying that the complete answer to Mr Baxter's question is to be found in the document

to which he is now referring and that is responsive to the question, but the Minister should not debate it.

Hon. B. W. MIER (Minister for Prices)—Thank you, Mr President, I respect your ruling. For Mr Baxter's benefit, I should add to my remarks that the publication also includes the results of another survey in which he may be interested and that survey is related to the price of toys. I have no doubt Mr Baxter would have a lot of interest in that survey. If Mr Smith wishes the document to be incorporated in *Hansard* I should be only too pleased to accommodate him.

The PRESIDENT—Order! The Minister should identify the document.

Hon. B. W. MIER—It is known as *Prices Action* and it is the November 1990 publication produced by the Office of Prices.

EXPANSION OF HIGHER EDUCATION

Hon. T. C. THEOPHANOUS (Jika Jika)—The expansion of higher education is one of the great success stories of Federal and State Labor governments in the past decade. With year 12 students completing their Victorian certificate of education examinations will the Minister inform the House about Victoria's efforts in providing places in higher education?

Hon. B. T. PULLEN (Minister for Education)—The first point of which honourable members should be aware is the important change that has occurred in relation to retention rates in schools at year 12. In 1982 some 35 per cent of students completed year 12 and in 1990 that figure has virtually doubled with almost 70 per cent—69 per cent in fact—of students completing year 12. With the introduction of the Victorian certificate of education I expect that figure will continue to increase.

To further illustrate the dramatic change that has occurred, I point out that in 1944 some 1000 students presented for matriculation.

Hon. M. T. Tehan—It was during the war; that was a long time ago, and it was a quality certificate!

Hon. B. T. PULLEN—In 1989 some 39 000 students completed year 12. The figures are a dramatic change in terms of those people who now go beyond compulsory schooling and have an expectation of completing year 12. This leads to greater demand for places in higher education, and at the moment in Victoria approximately 53 per cent of students completing year 12 are in transition to higher education places in Victoria, which compares with some 40 per cent on a national average. So it is clear that Victoria can be quite proud of its record on the transition from year 12 to higher education.

In terms of further education for adults, in 1990 approximately 21 000 adults enrolled in courses in higher education institutions. That is 4000 more than in the previous year. It is very important because everybody is entitled to that chance in life, and with the concept of further education and lifetime learning, it is important that we make those opportunities available for adults as well as students who reach year 12.

It would be obvious to honourable members that not all students who stay on until year 12, are able or wish to be accommodated in higher education. Some 50 000 students went on to apprenticeships or traineeships, and a considerable number of those were from year 12.

It is important that we maintain those links both with the TAFE area and with apprenticeships, and also provide for the transition to higher education at the highest standard in Australia.

STATEMENTS OF MINISTER FOR HEALTH

Hon. M. T. TEHAN (Central Highlands)—My question is directed to the Minister for Health. On 28 March 1990 the Minister advised this House that Health Department Victoria and the Hospital Employees Federation, No. 2 branch, had been studying the palpability factor of the cook-chill method and that "the study has almost reached its conclusion". In a letter on 15 May to Rob Knowles she stated that the meeting on 14 May was "to bring the matter to a conclusion". A meeting on 12 November held at HEF, No. 2 branch headquarters finished without having finalised the terms of reference for that review. Will the Minister now explain accurately what the situation is and when the committee will complete its findings?

Hon. C. J. HOGG (Minister for Health)—I thank Mrs Tehan for her question. In terms of accuracy I was certainly reporting as accurately as I could. In terms of the sorts of work practice changes that Health Department Victoria is working through with HEF, No. 2, I told the House ten days or two weeks ago that progress was being made on a number of fronts.

Hon. M. T. Tehan—What about this front?

Hon. C. J. HOGG—I said progress was being made on a number of fronts, particularly at local levels. In terms of the Budget-driven initiatives that have to be taken by Health Department Victoria over the next six months, there will be changes and some reorganisation of catering at major facilities.

MUSIC EDUCATION

Hon. P. R. HALL (Gippsland)—My question is directed to the Minister for Education. In question time yesterday the Minister sang the praises of music education in the State school system. As he regards music as such an important component of the education curriculum, why has he not replied to my representation of 30 August requesting legislative changes to the Education Act to enable schools to employ music teachers from locally raised funds?

Hon. B. T. PULLEN (Minister for Education)—I shall have to follow up Mr Hall's question to find out why, if the honourable member is correct, a restriction has been applied in this case. I would be disappointed if restrictions have been placed on the development of music in any school, but there may be some reason why it has occurred in relation to support for the overall development of music education, and there could be an impediment in this case. I assure Mr Hall that I shall see if something can be done to overcome the situation. As I said, I am keen to see that music, which is a very important component of the school curriculum, is encouraged, and that those opportunities are furthered in the future.

ELDERLY PERSONS WITH PSYCHIATRIC PROBLEMS

Hon. D. E. HENSHAW (Geelong)—I direct my question to the Minister for Health. I am aware the Minister recently attended the International Symposium in Geriatric Psychiatry sponsored by the World Psychiatric Association. Will the Minister inform the House of the positive steps the government is taking to address the needs of elderly Victorians with psychiatric problems?

Hon. C. J. HOGG (Minister for Health)—Victoria has provided considerable leadership in geriatric psychiatry over the years. The World Psychiatric Association invited Melbourne to be the venue to host this international symposium, and it is the

first time it has ever been held in the Southern Hemisphere. The symposium was held at St Vincent's Hospital and featured a number of international and interstate guests.

The over-60s group represents an increasing proportion of people in need of psychogeriatric service and psychogeriatric care. Victoria has put considerable effort and energy into getting the right balance, which includes the geriatric assessment teams throughout the State, dedicated beds in hospitals, initiatives taken in day care centres and a number of other things. In the coming financial year the government will commission the new 30-bed psychogeriatric nursing home in Geelong, extend in-patient and community assessment services in Melbourne's inner suburbs and establish a new community service in the Latrobe Valley.

In 1991 Professor Daniel O'Connor will take up his appointment to the inaugural chair of psychogeriatrics at Monash University. On a more specialised front, thanks to the work of David Copolov and Colin Masters, work being done on Alzheimer's disease is at the edge of science and research. Because of all those measures, which make an impressive picture, Victoria was invited to host this international symposium and the government is delighted to have been given the opportunity to do that.

REMEDIAL PHYSICAL EDUCATION CENTRES

Hon. M. A. BIRRELL (East Yarra)—I ask the Minister for Education to give a guarantee that the State's twelve remedial physical education centres will remain open.

Hon. B. T. PULLEN (Minister for Education)—Remedial physical education has been affected by reductions in the Budget allocation as honourable members are well aware. In allocating priorities consideration is being given to some centres undertaking remedial physical education programs, but it has to be linked with additional physical education in schools.

Decisions have been made about overall savings but where evidence is received that a child could be disadvantaged by a reduction in a service an accommodation will be made or other action will be taken. The total service is being absorbed into other areas. Savings have to be made and it is one of the areas that has been subject to a reduction in allocations.

DISABLED CHILDREN

Hon. R. A. MACKENZIE (Geelong)—I direct the Minister for Education to the several statements he has made in the House over recent weeks regarding the service to be provided to handicapped students, whether they are students with hearing, sight or psychological problems. The Minister has gone to some lengths to give assurances to honourable members and others that those disabled children will be provided with the same service they have always had. In fact, the Minister has indicated that the services may be enhanced although some changes to the structure may occur.

I ask the Minister: following representations from schools and parents indicating that many disabled children are now being refused enrolment for next year, is he going back on his word or does he still give an assurance that disabled children will be assisted as they were last year?

Hon. B. T. PULLEN (Minister for Education)—The honourable member is confusing two important aspects. First, I have said that in the context of savings that have to be made services are being provided for the maintenance of support for children who are already placed in schools in an integrated way and who receive

support through teacher aides, teachers or visiting teacher services. I believe the point that Mr Mackenzie has raised is in relation to the potential intake——

Hon. R. A. Mackenzie—No!

Hon. B. T. PULLEN—From the preschool level into the school system. If that is the question that he has asked, that matter is under active consideration. Additional resources will be needed to provide for the children at preschool level coming into the present school system seeking an integrated setting rather than a special schools setting.

Services for students who are currently in the school system are assured. If Mr Mackenzie knows of particular instances of children who he believes are receiving fewer services——

Hon. R. A. Mackenzie—No services!

Hon. B. T. PULLEN—I suggest that the appropriate course of action for him is to provide me with the detail of those particular children and their circumstances and I shall have them investigated.

ENVIRONMENTALLY FRIENDLY PRODUCTS

Hon. LICIA KOKOCINSKI (Melbourne West)—I refer the Minister for Prices to the fact that it has often been said that products carrying an environmentally friendly logo are more expensive. Can the Minister inform the House whether this is the case?

Hon. B. W. MIER (Minister for Prices)—Contrary to popular belief products that claim to be environmentally friendly are not more expensive; a survey carried out by the Office of Prices in August 1990 found that most products carrying environmentally friendly logos were cheaper.

The broadest price range was in the area of all-purpose cleaning products, with some products carrying environmentally friendly logos being cheaper than comparable products. Liquid laundry detergents labelled as environmentally friendly were cheaper, while powder detergents fell into the middle range of washing powders. Environmentally friendly non-machine dishwashing detergents were all cheaper than the conventional market leaders, according to the survey; for machine dishwashing detergents, the environmentally friendly product was more than 50 per cent more expensive. Therefore, consumers should be looking at the price comparisons of these products.

I should also like to add one further word of warning, which is that at present no checks are made on the claims being made by manufacturers that these products are environmentally friendly.

STATE BOARD OF EDUCATION

Hon. J. G. MILES (Templestowe)—I ask the Minister for Education whether it is intended that Ms Jean Blackburn be appointed to the position of Chairperson of the State Board of Education to replace Mr Bill Hannan.

Hon. B. T. PULLEN (Minister for Education)—Yes, Dr Jean Blackburn has been considered for that position and I believe she will make an excellent appointment. Her record in education is outstanding and I believe she will be an excellent person to carry on that role.

SENIORS CARD

Hon. G. A. SGRO (Melbourne North)—Will the Minister responsible for the aged inform the House of the response from the business community to the Victorian Seniors Card?

Hon. M. A. LYSTER (Minister for Local Government)—I am pleased to report to the House that there has been an excellent response from the private sector to the government's proposal for a Seniors Card. More than 700 businesses and service providers have sought further information and a good number of them have made a firm commitment to be part of the scheme.

Hon. M. A. Birrell—How many?

Hon. M. A. LYSTER—I would hesitate to say without having the precise information in front of me.

Honourable members interjecting.

Hon. M. A. LYSTER—I shall be delighted to provide the precise figures to the House.

Hon. G. A. SGRO (Melbourne North)—On a point of order, Mr President, I asked a very simple question. Because of the noise from the other side we cannot hear what the Minister is saying.

The PRESIDENT—Order! There have been several times when I have been unable to hear what is being said—and the House has been unusually stroppy today. I ask honourable members on both sides to allow the Minister to be heard for the benefit of Mr Sgro and others who are listening to the answer.

Hon. M. A. LYSTER (Minister for Local Government)—The government has been particularly concerned to ensure the integrity of the project. As a result I have established what I call a vetting committee to examine the applications of interest from members of the private sector.

It is important to the scheme that senior citizens have confidence in using the proposed directory that will list all of the businesses that are interested in being part of the scheme. I have therefore formed the committee, which is chaired by Michael McKenna, the Executive Director of the Australian Society of Certified Practising Accountants; the other members are Mrs Betty Blackmore, the Honorary Secretary of the Combined Pensioners Association; Ms Edith Morgan, the Chairperson of the Older Persons Action Centre; Mrs Anne Jacques, the Director of the Victorian Council on the Ageing; Mr Bill Larkin, a former Mayor of the City of Doncaster and Templestowe; and Ms Loula Radopoulos, who is a former Convener of the Women's Trust and a part-time member of both the Administrative Appeals Tribunal and the Merit Protection and Review Agency. The other member of the committee is Mrs Jan Wilson, MP, the honourable member for Dandenong North, who chairs my Older Persons Consultative Council.

All expressions of interest from the private sector will be examined by the committee to assure the very important target group of 700 000 Victorians over the age of 60 years of the integrity of the service providers who will be part of the scheme. The scheme has received a very positive response both from the private sector and from the older persons themselves who are eagerly awaiting the launch of the card, which I hope will be in Senior Citizens Week next year. Older persons recognise that the card will add considerably to the quality of their lives and they have certainly expressed their appreciation through me to the government for its having taken this initiative.

PETITION

Preschool funding

Hon. J. G. MILES (Templestowe) presented a petition from certain citizens of Victoria praying that the government fully reinstate preschool funding.

Laid on table.

PUBLIC BODIES REVIEW COMMITTEE

Victorian Abattoir and Meat Inspection Authority

Hon. P. R. HALL (Gippsland) presented report of Public Bodies Review Committee on Victorian Abattoir and Meat Inspection Authority, together with appendices, extracts of proceedings, minority report and minutes of evidence.

Laid on table.

Ordered that report, appendices, extracts of proceedings and minority report be printed.

Ordered to be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

PAPERS

Laid on table by Clerk:

Crimes Compensation Tribunal—Report for the year 1989-90.

Freedom of Information Act 1982—Report on operation for the year 1989-90.

Guardianship and Administration Board—Report and financial statements for the year 1989-90.

Health Promotion Foundation—Report and financial statements for the year 1989-90.

Labour Department—Report and financial statements for the year 1989-90 (incorporating the report on administration and operation of the Dangerous Goods Act 1985 for the year 1989-90).

Mental Health Act 1986—Report on the activities of Community Visitors for the year 1989-90.

Nursing Council—Report and financial statement for the year 1989-90.

Parliamentary Committees Act 1968—Minister's response to recommendations in Natural Resources and Environment Committee's report upon the South-Western Region Water Management Strategy.

Pharmacy Board—Report and statement of accounts for the year 1989.

State Trustees—Report and financial statements for the year 1989-90.

Ordered that reports tabled by Clerk be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

INDUSTRIAL RELATIONS

Hon. G. B. ASHMAN (Boronia)—I move:

That this House condemns the government for failing to enable good industrial relations to prevail in Victoria.

Over the years the government has demonstrated an alignment with the union movement and the Victorian Trades Hall Council. The Opposition has noted that as a result of the alignment and the union movement's direct contributions to Australian Labor Party coffers the government has failed to address the industrial relations issues that so concern the Victorian community. The government has failed dismally to

manage disputes, particularly those within its own authorities such as the State Electricity Commission; late last year and early this year in the Met; Community Services Victoria; and education. The Met dispute cost this State a minimum of $12 million. Victoria has been racked with disputes over recent months and a number of them have been high profile disputes. The two with the highest profile are the Hoechst Australia Ltd and Leighton Contractors Pty Ltd disputes. The Hoechst dispute was resolved recently but the Leighton dispute is continuing with no sign of resolution.

Many other disputes in Victoria have not necessarily hit the headlines—there is a dispute at Tip Top Bakeries and ongoing disputes in the meat industry. I have prepared a list of disputes that were current in Victoria in September, which is by no means exhaustive but includes companies like Schlumberger Seaco Inc. where bans have been imposed. Not all of the disputes are high profile and at no time were a number of them picked up by the media. They are nevertheless of major concern to the people running the companies concerned and the customers and clients of those businesses. There have been stoppages at the Wimmera abattoirs; Streets Ice Cream Pty Ltd; Carlton and United Breweries Ltd; Australian Paper Manufacturers; ICI-Dulux; Mobil Oil Australia Ltd; Esso Australia Ltd; Phosphate Co-op of Aust. Ltd—the Portland aluminium smelter; Dorf Industries Pty Ltd; Kodak Processing Laboratory; Olex Cables; the Nilsen group; Mathew Hall Mechanical and Electrical Engineers Pty Ltd and Qantas Airways Ltd.

In government authorities such as the Port of Melbourne Authority, the State Electricity Commission, Health Department Victoria, the Ministry of Education and the Totalizator Agency Board, in the month of September there were a very large number of disputes. That is by no means a complete list of industrial disputes that were running at the time.

Hon. B. W. Mier—What were they about?

Hon. G. B. ASHMAN—A number of them were bans and stoppages in support of wage claims, and some were in relation to redundancy packages and restructuring within those companies. Quite frankly, in the current economic climate one would expect the work force and the union movement in particular to be taking cognisance of the financial position of the various companies and to support the employers in the interests of the viability of the companies and long-term employment.

As honourable members would be aware there is a long-running dispute within the meat industry. Both Mr Craige and Mr de Fegely will cover that dispute in some detail later in the debate and address the issue of disputes within the primary industry and on the waterfront. There is a history of disputation and disruption in the Australasian Meat Industry Employees Union. It is interesting to note the number of man-days lost in the 1989-90 period in meat export works. There were 137 000 man-days lost in that twelve-month period as a result of industrial action by that union. This government sat back and let it all happen. The cost in lost export earnings was $85 million. At a time when Australia's beef exports increased by 24 per cent the figure for Victoria increased by only 7 per cent. One can draw the assumption that the exports were lost to Victoria, to Victorian farmers and to our abattoirs as the direct result of the actions of the union.

Looking at disputes within the meat industry and to particular companies within Victoria: the Gilbertson Abattoir in a four-month period in 1990 lost 56 full days and 61 partial days; that cost the company 178 000 man-hours lost. Gilbertson Group Services in a two-month period lost 32 full days and 21 partial days. G. and K. O'Connor Export Abattoir Pty Ltd between May 1989 and February 1990 lost 7200 man-days. Castricum Brothers (FTG) Pty Ltd lost 32 250 man-hours between May 1989 and January 1990. McPhee Export Meats Pty Ltd in Wodonga had stoppages of

more than 43 days between May 1989 and March 1990. One can see the problems within that industry, yet with all of that disruption this government sat back and did nothing. It took no action to alleviate the problems and improve Victoria's export performance.

The government is allowing John Halfpenny and the Victorian Trades Hall Council to run riot and to run this State as they choose. Newspaper editorials are now focusing attention on these matters. As recently as yesterday the *Herald-Sun* said in its editorial:

> Victorians are thoroughly fed up with the extreme left at the Trades Hall which has repeatedly involved the State in costly senseless stoppages . . . Victoria's recent sorry industrial history demands positive action to diminish the ability of the extreme left to exploit the union movement for its own hidden agenda.

What sort of indictment is it when newspapers start editorialising against the union leaders in this State?

Hon. B. W. Mier—They did that in 1850, the same newspaper.

Hon. G. B. ASHMAN—There is still no action being taken by this government; it has remained mute on the subject. What does the public think about the government and its ability to control the union movement? What do the unionists themselves believe about the government's role? How do they view the leadership at the Trades Hall?

A poll conducted by the *Herald-Sun* on 25 November this year asked the question:

> Do you personally think the Victorian government should become more involved or less involved in trying to resolve long running industrial disputes?

Of the total response 71 per cent of people said the government should be more involved; 19 per cent said less involved. Of trade union members, 68 per cent said the government should be more involved. There is clear support in the community for the government taking action and not just sitting back and allowing it to happen. The survey asked a series of other questions in relation to Mr Halfpenny, one of which was whether Mr Halfpenny has been good or bad for Victoria. Some 17 per cent of all people said he had been good for Victoria; 63 per cent said he had been bad; and 30 per cent of trade union members said he had been bad—he could get only 53 per cent support from his own union members. In response to the question whether one agreed or disagreed that Mr Halfpenny represents the view of Victorians in general some 19 per cent of adults agreed that he did represent Victorians, but a massive 64 per cent disagreed; only 30 per cent of trade union members agreed with Mr Halfpenny's stance. Now I come to the question that tells it all:

> Do you think Mr Halfpenny has acted in a responsible manner throughout the Hoechst dispute?

Some 22 per cent said yes; 57 per cent did not think he had acted responsibly during that dispute.

One knows that workers are voting with their feet in their support for unions. Membership of unions is falling: currently it is only 43 per cent of the work force, and only 39 per cent of women choose to join a union. Only one-third of workers between the ages of 15 and 24 are prepared to join a union. The union movement has lost touch with the aspirations of all Victorians. This government has lost touch with the aspirations of Victorians. Union members need to participate and are prepared to participate, but because of the structure within the union movement they are locked out of the decision making.

The Opposition supports the secret and mandatory prestrike ballots. If that had occurred it is most unlikely that the Hoechst plant would have been on strike; it is most unlikely that the workers would have walked out of that plant. It is clear from

talking with workers there that many of them had been forced out on strike and were prepared to go back to work weeks before the union agreed to resume work.

The Opposition supports the secret and mandatory prestrike ballots. If that had occurred it is most unlikely that the Hoechst plant would have been on strike; it is most unlikely that the workers would have walked out of that plant. It is clear from talking with workers there that many of them had been forced out on strike and were prepared to go back to work weeks before the union agreed to resume work. I ask: what has the government done? I refer to the government's response to the dispute. The Premier visited the picket line, and when she was challenged what did she say? She said, "I just happened to be driving past"!

Hon. B. W. Mier—It is in her electorate, isn't it?

Hon. G. B. ASHMAN—To drive past the plant one needs to deviate from the main roads! I ask: what did the Premier do then? The answer is: she did not visit the picket line and say, "I am now going to speak to the management of the company; I am going to speak to the company employees who are inside working". The Premier ignored them because she thought they were not relevant. People who are working are not relevant to the government; the government is concerned only to support its friends at the Victorian Trades Hall Council, which is what the Premier was doing when she visited the picket line at Hoechst.

A number of Labor Party members of Parliament visited the picket line. I ask: how many went inside the plant and spoke to the workers who were trying to keep the plant going?

Hon. K. M. Smith—The honest people, not like the thugs opposite!

Hon. G. B. ASHMAN—By its silence the government supported the secondary boycotts against Fred's Interstate Transport and now that company is struggling for survival. Gratitude should be expressed to the Victoria Police for the efforts its officers put into protecting people during the time the picket line was in force. They worked in extremely difficult circumstances, with unionists attempting to prevent the entry of goods into and the carting of products away from the plant. The Victoria Police did an excellent job in keeping the picket line under control in very adverse circumstances.

I contrast the government's action during the Hoechst dispute with its actions when the dairy farmers withheld milk from this State: the government moved smartly and forced the farmers to resume deliveries. However, the boot was on the other foot when the Transport Workers Union pulled the plug—so to speak—on milk supplies. Some months ago Victoria's retail stores—that is, the supermarkets and milk bars—were without milk supplies. I invite honourable members to reflect on what the government did then. The answer is: absolutely nothing!

Honourable members should consider what the government has done during the various petrol disputes. Again, the answer is: absolutely nothing! The government introduced a system of allowing drivers to buy petrol on the basis of odd and even car registration numbers, but as for resolving the dispute, the government just sat back and waited for it to work its way through. The government silently supported the Transort Workers Union and its other friends at the Victorian Trades Hall Council.

The Liberal and National Party coalition will introduce legislation to outlaw secondary boycotts and ensure the community is protected by companies being able to receive and deliver goods and services free from intimidation by and pressure from the union movement. The government has consistently allowed the closed shop arrangement to continue and it has supported the arrangement in its own instrumentalities. The coalition has a firm policy on freedom of association and will legislate to provide for

voluntary union membership. Workers will have the choice of belonging to unions; nobody should be discriminated against for deciding not to join a union and every employee should be free to seek employment with any employer.

Under the provisions of the Road Traffic Act people can lose their drivers licences for speeding offences. The Act provides for severe penalties to be imposed and those penalties are imposed. I invite honourable members to consider what happens when the union movement seeks to establish a picket line or to otherwise damage a business. I ask: what right exists for that business to have recourse to protection? The answer is: very little, under this government. The coalition will move to protect the rights of people to cross picket lines and will enforce the legal position that a picket line is just a gathering of people and any person can legally cross the theoretical line at any time and should be free to do so.

The coalition will provide also for speedy access to the civil courts to be available in cases where companies are being harmed by the illegal activity of the union movement or of any other individual, whether he or she is a member of a union or not. As I said, companies and individuals should be free to pursue their employment and their business without intimidation.

I refer briefly to the Dollar Sweets Co. Pty Ltd case. I know members of the Victorian Trades Hall Council do not like to hear reference to the case because it was a landmark case. For the first time a union paid damages; the union came across voluntarily before the matter came to court; the union sought to settle the matter out of court because it acknowledged it was wrong. The union caused the company severe damage and hardship in pursuit of a claim. A picket line was put in place and for several months deliveries were refused both to and from the plant. As a result of issuing a Supreme Court writ, the company recovered damages from the Australian Workers Union and is now trading exceptionally well. The company should have been able to get injunctions much sooner and it should have been in the position to recover damages more quickly. The Dollar Sweets case proceeded over two years. The coalition will provide for much quicker resolution of disputes and faster recovery of damages.

The union movement has even turned on its own members. Mr Frank Marrett, who worked for Petroleum Refineries (Aust.) Pty Ltd, was picked on because he was not prepared to contribute to a strike fund. He had a strong belief—upheld by the courts—that all welfare relief should be provided by the church and not a union. He offered to make a contribution to the church but the union was not prepared to accept that. As a result, a ban was put on him. Once again, he was successful in taking civil action against the union.

The coalition will provide the opportunity for people to take civil action. The opportunity will be provided also for standdown provisions to be inserted into awards so that people who apply illegal bans or work-to-rule conditions can be stood down without pay. The coalition will provide the opportunity for sanctions to be imposed against unions, employees, and employers who are in breach of agreements. When an agreement is struck in the Industrial Relations Commission, all parties are expected to honour the agreement. The coalition will not expect the union movement to say through its representatives, "We don't accept the decision of the umpire; now we are going to go out and do our thing and use our muscle to achieve our ends".

The various commissioners act as umpires and all parties to disputes should accept the decisions of the umpires. Today's situation should not be maintained. Frequently the union movement will be represented before a commission, will hear the decision, and then its representatives will thumb their noses at the commission.

The government has failed to manage industrial relations in this State. That mismanagement, combined with the government's financial mismanagement, has resulted in

Victorians paying a heavy price. Victoria is experiencing a severe economic downturn. It has low employment, a high bankruptcy rate, a loss of job opportunities and it has suffered an enormous loss of confidence by those within the State as well as national and international observers. The government stands condemned.

Hon. G. R. CRAIGE (Central Highlands)—In supporting this motion it is important to acknowledge that industrial relations need to be a matter of balance; neither side—employers or unions—should receive preferential treatment from the government or from the Industrial Relations Commission. We are all in this together. There should not be a them-and-us attitude. It appears the government is creating a clear division and is fostering that division on a regular basis.

Mr Ashman quite correctly pointed out the incidents that have occurred in recent times, when the Premier has been clearly seen to support a sectional group within Victoria. These actions cannot and should not be tolerated by any Victorian. Actions such as those create the division that sound industrial relations do not need. Everyone should be promoting a harmonious workplace environment whereby disputes can be settled at the origins, and not involve distant union officials and distant employer organisations' officials. Once a dispute leaves the workplace the waters get muddy. Then we change our agenda and union officials continually change their agenda. Quite rightly Victorians today are asking questions about those union officials. They are saying, "What is your agenda? What is today's agenda? Is it for the betterment of Victoria or are you on some bandwagon to satisfy your own ends?"

When one examines the recent dispute at Hoechst Australia Ltd involving the Secretary of the Victorian Trades Hall Council, John Halfpenny, clear political agendas were evident. The action of the union movement to walk away and cook up some furphy about health and safety is a nonsense. Victorians deserve better. Victoria is in a mess; it is disastrous!

What makes matters worse is that the trade union movement does not seem to give a damn about people daily being put off work. Mr Halfpenny's record is not very crash hot in keeping metal workers in jobs. His campaign for shorter hours has put thousands out of work. His history goes on and on.

The agenda must be set. It should be up front and should involve discussions with employers, employees and Victorians. The sooner those people within those positions of power—who over-exert their authority on the basis of their own agenda—are removed, the better Victoria will be. It seems the State must crash further at the end of the day before commonsense prevails and the unions realise they need to examine where they are headed. Membership is on the decline; as more women return to the work force they are not joining trade unions because they do not believe the unions are acting in their best interests or in the interests of Victorians.

Hon. B. A. E. Skeggs—They like freedom of choice.

Hon. G. R. CRAIGE—The 1982 policy document of the Labor Party refers to balance. If the party is serious, where is the balance today? What is the underlying cause for the government to lean totally towards the trade union movement? That answer can be supplied because of the link between the Labor Party and the trade union movement.

One need only examine the financial benefits the Labor Party receives from the trade union movement. Is it any wonder the government cannot make a balanced judgment? The judgment of the government is already blurred before it reaches the negotiating table because it has to repay debts. An examination of the contributions made by unions since 1982, when the Labor Party came to government, demonstrates the reason why the government cannot make decisions based on sound industrial relations.

For example, the Shop Distributive and Allied Employees Association has contributed $309 075 since 1982; the Electrical Trades Union of Australia has donated $176 526. The Hospital Employees Federation, Nos 1 and 2 branches, has contributed $328 283. Many unions make donations and one that struck me as being rather significant was from the Geelong branch of the Waterside Workers Federation of Australia—a single contribution in one year of $9000.

The contributions are available upon an inspection of the financial returns made to the registry of the Industrial Relations Commission; by law the unions must not only submit their financial statements but also must declare contributions made to political parties. It reads like a *Who's Who.* One could spend weeks gathering information on the separate donations made, and funds allocated, to the Labor Party. Not only are the donations made but also from time to time favours are returned.

Recently the Ministry for the Arts made a grant of $100 000 to the Victorian Trades Hall Council for an artists-in-residence program. One wonders how many more dollars from different departments have been spent in return for favours. This financial support must and does muddy the Labor Party's view and this government's view on industrial relations. The link is so strong that it hinders sound judgment on the part of the government.

In 1982, in an interview with Terry Lane of radio station 3LO, the then Premier, John Cain, the honourable member for Bundoora in the other place, made the statement:

> That victory was the result of various factors, not the least of which was the strong support which my government received in its first term from the trade union movement.

If Victoria is to have any hope, the only government is a coalition government, which will provide a soundly based industrial relations forum. A coalition government will not have the muddied views that lead this government to make the most irrational, unsound decisions on industrial relations. The government knows its track record is lousy because it owes too many favours and it has done too many deals.

The government should be talking about promoting a number of areas, but nothing is heard. Good industrial relations involve a balanced view to attitudes and responsibilities. It is a matter of being responsible to the people of Victoria in developing a sound industrial relations policy in which the employers and employees can get on with their jobs with the minimum of interference.

The coalition does not take one side or the other. A fundamental fact in industrial relations is consistency; a government must be consistent in applying the law of the State to all people. This government is inconsistent on a regular basis; if there is anything consistent it is its inconsistency.

Mr Ashman has already indicated how quick the government was to use emergency services legislation against the dairy farmers of Victoria to maintain milk supplies. However, the government sits back time and time again when a petrol strike occurs or when a dispute among storemen and packers means basic commodities are not delivered to shops. In those cases nothing is heard. Members of the government sit back like fairies dreaming of some paradise in which they want to live. They forget about the people of Victoria.

I am concerned about a number of areas. A lot has been said about reform on the waterfront, but there has been no reform because the debts are too big and the government owes them. That is why there will not be reforms on the waterfront.

Workers on the waterfront still draw straws to decide who will work. That practice is more prevalent on a Saturday during the football season than at any other time. They

also draw straws to decide who will work the afternoon and night shifts. In container terminals one bunny is left to clock off other employees.

When I worked on the waterfront as a union official, management asked me to stop the practice of people clocking off the cards of other workers. At 7.20 a.m. one man was left and he had eleven cards. He went to the machine and clocked off the other workers and the manager asked me what I would do about it. I said they were not my employees and that they were his employees and asked him what he was going to do about it. There must be some resolve on the part of both employers and unionists working on the waterfront to improve the situation.

A procedure called job and finish still goes on today. It has not been reformed and it is costing Australia millions and millions of dollars. Job and finish is where union members at a container terminal dictate how many containers will be packed or unpacked depending on the commodities in the containers. When it is agreed, the union goes to management and says it will pack or unpack, for example, three containers. When that is done, ususally before lunch, the union renegotiates with management because management wants more containers packed or unpacked. They may negotiate to pack or unpack two more containers and finish at approximately 2.30 p.m. The workers get paid 2 hours overtime at double time and are finished packing or unpacking five containers by lunch, when they then walk out of the depot!

There are still massive queues on the waterfront and piles and piles of paperwork still keep people in jobs. Workers draw straws to select double-headers—a day shift and an afternoon shift. The meal break between those two shifts is paid at triple time and half. Those practices are unheard of elsewhere. Workers on the waterfront receive 27.5 per cent loading on their annual leave as well as their long service leave. None of those things have changed, yet honourable members hear from the government that it is reforming the waterfront.

I could go on and on about practices that have not changed, and the government does not have the will to change them. Victoria has the most inefficient waterfront, but the government has done nothing to change that. One reason is because the government owes too many debts, but the people of Victoria will wake up to that fact at the next State election. They will roll this mob straight out the door as quick as a flash. Victorians are sick and tired of the government not doing anything to create an atmosphere where people can have some pride in their work and where the workplace can operate productively.

I have a lot of faith in mankind and I have a lot of faith in workers who go from morning to night. At the end of the day they will make sound decisions; they will do so at the next election and will vote out this government.

The coalition will introduce constructive and well-balanced policies on industrial relations, and Mr Ashman has outlined them. The coalition will not shirk the issues because it does not owe its mates anything. This government owes, and that is why it cannot and will not stand up when it comes to industrial relations issues.

The rorts on the waterfront affect everyone, particularly the export industry and the rural sector. The government must wake up to that fact and do something about it. A coalition government will not shirk that issue. Unfortunately, the government clearly does not have the intestinal fortitude to make the tough decisions.

I shall conclude by referring to the Seymour abattoir dispute with the Australasian Meat Industry Employees Union. A picket line was set up at the abattoir when the owner refused to pay a fifteen-year-old worker adult wages. Young lads in abattoirs are called scruffers, and their job is to catch sheep and head them up the aisle into the

abattoirs. They have a specific function and are employed at all abattoirs. They are young guys who come into the industry to learn something about it.

The owner refused to pay adult wages and the Australasian Meat Industry Employees Union put up a picket line. The meat inspectors—members of the Victorian Public Service Association at that stage—refused to cross the picket line, which meant the abattoir could not operate. The picket line was established on Thursday, 1 May 1983 and the whole establishment came to a halt. Under the Abattoir and Meat Inspection (Amendment) Act 1982 the government had the ability and an obligation to provide meat inspectors but it also had the ability to certify other qualified people to come in and inspect the meat.

For a full week the owner of the abattoir, the Meat and Allied Trades Federation of Australia and the Victorian Farmers Federation asked the government to provide a meat inspector. It declined, and it was not until the matter was taken to the Supreme Court that the government eventually agreed to certify a private veterinary surgeon who had worked as a meat inspector to inspect the carcasses so the works could operate. That indicates quite clearly that the government does not have the will to carry out its mandate in respect of industrial relations. It had an Act under which it had the ability to appoint inspectors and allow the works to operate but it would not exercise that right until the matter was taken to the Supreme Court. I find that scandalous, and I assure the people of Victoria that the coalition will not pussyfoot around on issues like this. The meat industry is in dire straits.

Hon. B. W. Mier—It's a them-and-us attitude!

Hon. G. R. CRAIGE—It is not! I am trying to say that the coalition will place industrial relations on a balanced agenda, not stand in front of a picket line. It will not do that, unlike your mob! The government has deserted the people of Victoria and left them high and dry because it cannot see how industrial relations should be handled. Clearly the government is totally inadequate, inept and lacking ability when it comes to industrial relations.

I shall make a commitment to the people of Victoria and the coalition will make a commitment that it will sort out some of the mess. There will be no them-and-us but a balanced view. It is high time the people had a chance to indicate which party they prefer when it comes to industrial relations. At the next election I know which one it will be.

Hon. R. S. de FEGELY (Ballarat)—I commend my colleague for moving the motion to condemn the government for failing to enable good industrial relations to prevail in Victoria. It is a very opportune time in view of the current industrial unrest in Victoria. I want the Minister to be clear that we are not talking about unions per se; we are talking about a few people in the union movement who can only be described as unAustralian. We are talking about the failure of the Federal and State governments to deal with those unions and union individuals in the interests of all Australians and the economy.

Victoria is in a disastrous economic situation, whether the government wants to admit it or not, and it has been largely self-inflicted. They often try to blame it on outside forces but if we consider what has happened we can see it has been largely the fault of the present government. Victoria is in desperate need of investment that will generate wealth, yet a number of current disputes seem determined to destroy Australia's opportunities.

The Hoechst dispute has already been mentioned, but I stress that the messages that have gone overseas as a result must be very harmful to Australia's future investment opportunities. The fact that disputes can occur over an employee who was sacked for

disloyalty—a dispute which went on for some fourteen or fifteen weeks—must have sent to the world the message that if one is going to invest, one does not invest in Victoria.

The excessive demands must stop if Australia is not to slide into oblivion. It is time we examined the national scene. What is good for Australia must be generally good for individual Australians. We all have a responsibility to make the most of our opportunities, and we will not do that while we have a confrontationist approach. The majority of unions have been extremely responsible, have worked well and have served a purpose for their members, but there are some among the ranks who have been performing abysmally. In that regard I suggest the Australasian Meat Industry Employees Union would probably be the worst—

Hon. K. M. Smith—What about the plumbers?

Hon. R. S. de FEGELY—However, we also have the Hospital Employees Federation, No. 2 branch and the Victorian Secondary Teachers Association, and the leaders in the Trades Hall Council and the Australian Council of Trade Unions have not been particularly helpful in recent times. Demarcation disputes are one of the greatest problems we have had to face in Australia. They have always been extraordinarily costly. I recall what happened a few years ago when I wanted to extend electricity to a house on my farm. We had to put up three poles and a transformer and run the wires on those three poles from the main line; 24 men arrived to put up three poles and run a few wires for a third of a mile.

Hon. Rosemary Varty—Eight men to a pole?

Hon. R. S. de FEGELY—Only one fellow could go up the pole to install the fittings. Nobody else could do it; it was his job and he was there all day. That is the type of idiocy Australians are being forced to put up with. It may be funny to the Minister, but it has been extraordinarily costly to the nation.

Previous speakers mentioned the waterfront. A friend of mine who was in business until recently when he decided he had had enough was doing some importing. He was importing regularly from Japan and he told me it took seventeen days to get the goods from Japan to Australia. It then took him another seventeen days to get the goods off the waterfront, if he was lucky. If it suited the whim of waterfront workers to have a stoppage or two, it would take him much longer than that.

Why is it cheaper to send goods by an overseas shipping company via Japan to Tasmania than it is to send them directly to Tasmania on our national shipping line? What a farce! That is what the unions have brought to our country and what Labor governments have supported.

How has all this occurred? I suggest not one decision is made by the Federal government without prior consultation with the Australian Council of Trade Unions. I suppose that is understandable for a Federal Labor government. The latest example concerns negotiations over the Federal wage tax deal. I am sure Mr Ferguson, the President of the ACTU, will deliberate over that and decide whether he will accept the government's proposal. We will all have to await his decision on that matter.

It is not surprising that that occurs because not so long ago our Prime Minister, Mr Hawke, was in charge of the ACTU. He has left Australians with a legacy of excesses brought about by the union movement—things for which we are paying dearly at present. I refer the House to the four weeks annual leave, the 17.5 per cent holiday leave loading, accumulated sick leave and other provisions that add enormous costs to Australian employers.

The Federal Labor Minister at that time, Clyde Cameron, has been reported in the press recently as saying:

> . . . he felt "bloody stupid" for introducing the 17.5 per cent holiday leave loading for Australian workers.
>
> "I'm responsible for it, and I feel bloody stupid. The loading, and flexi-time—another one of my brainwaves—have helped ruin the country because they have been abused."

The State and Federal governments have condoned the situation because, as my colleague Mr Craige pointed out, the government owes the unions. It cannot rat on its mates in the union movement because they put considerable amounts of money into the coffers of the ALP. But even former members of the Federal Labor Party believe these practices are beyond the pale.

On a number of occasions endeavours have been made to have the 17.5 per cent holiday leave loading scrapped. In Western Australia an attempt was made in 1983. Endeavours were also made in 1986, 1987 and 1988 to have the loading abolished, but the Federal government would not have a bar of it. Our governments are aiding and abetting the difficulties and financial problems facing this country. That is the contribution the Prime Minister has made to Australia. The Hawke legacy will go down in history as one of union excess.

Honourable members who have travelled overseas know that other countries treat Australia as a joke. Our four weeks holidays, 17.5 per cent holiday leave loading, thirteen public holidays a year in Victoria, accumulated sick leave and other provisions add up to a significant expense for the employer. If one adds other non-productive costs that have been won by the union movement, one recognises that 50 per cent of the wages bill is for totally unproductive items. Australians must make up their minds whether they will continue going down this track or whether they will do something by making some changes.

I turn now to the Australasian Meat Industry Employees Union, which has no right to be operating in Victoria the way it has under its secretary, Wally Curran. It is incredible that the union should be calling for a 30 per cent wage increase. What has the government done? What does it say? Not a murmur. Yet not so long ago airline pilots made an ambit claim for a 30 per cent increase. What happened? The next day the Prime Minister moved to get rid of the pilots.

What has happened to the meat industry to cause the desperate straits it is in? Union members are asking for an additional $200 a week. Australia had an export industry with a deadline to keep. The workers said, "Pay us another $30 a day and we will meet the deadline". Where was this government? What was it doing? Where is our Minister for Consumer Affairs who has been so keen to help the consumer? He said we can all save $35 a week by buying certain goods. What is the position of the Minister on the meat industry?

Hon. B. W. Mier—I'll have a bit to say about it!

Hon. R. S. de FEGELY—The government will not lift a finger. The Premier is reported in today's *Age* as saying if the farmers want to take on the government they should not expect the government to help them. She is reported as having said:

> I am more than happy to work with you people . . . but you cannot have it both ways. If you want to take on the government on any issue, do so. But don't expect me to work with you at the same time. I can't do both.

This industry has lost $85 million in income in Victoria over the past twelve months. In the last five months of 1989, 40 out of every 100 working days were lost in the Victorian meat industry. Since 1975, when there were 7000 meat industry workers in

this State, the number has dwindled to 2500. Victoria had twenty export abattoirs operating in those days but now has only ten. We have lost our killing capacity to New South Wales and Queensland. In fact, Mr Curran has exported more than 4000 jobs to the other States. It is an absolute disgrace that the government has not been prepared to do one thing about it. It has not lifted a finger to take the industry to task. Why? Mr Curran happens to be an adviser to the Premier. I suppose anything concerning the meat industry that comes in is vetted by him before the Premier gets a look at it. The government has a dismal record in industrial relations. The issue must be tackled now. The government must sit down with employers and employees and talk through this issue instead of operating in a confrontationist way.

Hon. B. W. Mier—Absolutely correct.

Hon. R. S. de FEGELY—We must talk about wages and salaries. We must get rid of the outdated, archaic practices and unproductive oncosts; that would allow employers to pay better wages to employees instead of having continually declining living standards. We should attempt to remedy that position and improve those living standards. It is important to examine these unproductive oncosts and get rid of the 17.5 per cent holiday leave loading and accumulated sick leave which it now appears are accepted as of right. I suggest sick leave is a privilege rather than a right.

I commend my colleagues for bringing forward the motion and give it my utmost support.

Hon. D. M. EVANS (North Eastern)—I join my colleagues in the National Party in strongly supporting the motion moved this morning by Mr Ashman. It is an important motion, and one which the coalition takes seriously. To underline that seriousness I shall briefly quote Senator Robert Ray of the Labor Party who said, on 20 October this year:

> The Albania of the Southern Hemisphere—the Victorian branch of the Labor Party.

He was referring to the unholy alliance between Lygon Street and Spring Street and he was right in saying that Victoria is the Albania of the south. The *Herald-Sun* editorial of 25 October puts the matter directly on the line by stating:

> Victorians now have real cause for concern: this once prosperous State cannot afford to remain frozen in ideological times. This was the unfortunate reality of which Senator Ray reminded us.

Bad industrial relations affect not only the economics of the State but also the workers. It is not the first time National Party members have had to stand up for the workers of this State against the government, which is supposed to represent them. The Labor Party had its boom in industrial disputes in shaping the State of Queensland in the late 1890s; it was supposed to be the party that supported the workers of this State and Australia. The best thing for any party that desires to assist the workers to do is to ensure there are jobs for people, that the State itself is prosperous, that there are no unnecessary bars to good prosperous industries in the State and perhaps begin to do something to lift Australia out of the economic mess which, if it is allowed to continue, will quickly devalue this nation and this State to Third World status. If anyone wonders what that means I suggest it means huge unemployment and an inability to pay the unemployment benefits that are needed by people for one reason or another, hopefully temporarily.

If we were to reach Third World status I wonder how well the Labor Party would serve the working people of this State, let alone the people who are trying to make a success of it. Let us examine the litany of disasters in the past twelve months in this State.

I refer to the Hoechst dispute. Maybe there was some justification for the dispute if there was a genuine health problem, and maybe that should have been sorted out.

Perhaps the reporter, the smart cookie who raised the original concern, and Mr Gries who aided and abetted it, were the basic cause of the dispute. It was a shoddy exercise on both their parts. If there was a genuine problem why did the Premier of this State not call the parties together to try to sort it out instead of playing favourites and supporting the picketers?

There are organisations such as Fred's Interstate Transport in Shepparton that are interested in providing jobs and assisting the economy but are being forced, as seen on television, to give in to people who throw rocks, bricks and pieces of timber at their trucks. That man was simply providing a job for people who are loyal workers in his business; he was providing a service to the community. The Premier joined the picket line on the other side.

I refer also to the petrol strike in October 1990. Once again the motorists of this State had to queue for petrol, and the cost of petrol was going through the roof.

Hon. Jean McLean interjected.

Hon. D. M. EVANS—Just another strike, Mrs McLean! It was a clear indication that once again industries and jobs of workers in this State are being put on the line by poor industrial relations. Wake up to that! Can't you understand that?

Again in October this year the Royal Women's Hospital dispute caused people who were waiting for elective surgery to have to wait another week. Maybe their conditions were not life threatening and maybe they could live in pain for another week or two because the Hospital Employees Federation was worried about a particular matter and put the hospital system under threat.

That dispute should be contrasted with the actions of dairy farmers in 1985 who decided that because they could not make a living and were going broke they would withhold milk supplies. There was no threat at the time—there probably would have been a week down the track, but people had sufficient milk supplies. What did the government do? It immediately proclaimed the Essential Services Act and put farmers over a barrel. It probably thought they were easy pickings—it was selective industrial relations.

Let us consider some of the issues that concern my colleague Mr Hall in the Latrobe Valley—a wonderful place that is the powerhouse of Victoria. The Electrical Trades Union has imposed work bans for the past four weeks causing serious disruption to the State's electricity supply, yet despite its actions and refusal by those workers to do any work, according to my colleague Mr Hall, they are still being paid. They are being paid to turn up to work, sit on their backsides and play cards while the State runs short of power and industry is placed at risk. Riggers on the Hazelwood power station have imposed work bans for the past six months, but turn up to work and are being paid to play cards. I should like to be paid to play cards!

Earlier this year the streets of Melbourne were clogged for two months by a dispute that was quite frankly due to the inefficiency of the present Deputy Premier in his handling of the scratch tickets. The city was clogged with trams for two months at an estimated cost of $30 million.

My colleague Mr de Fegely referred to the Australasian Meat Industry Employees Union. At this time our farming industries are on their beam ends. Few industries are profitable, and industry is the powerhouse and prime source of income that this nation and State are crying out for to try to reverse that $20 000 million trade deficit. What happened? Mr Curran and his minions pursued a constant war of attrition against the abattoirs of this State—McPhies, Wodonga, Greenhams and Gilbertsons talked about shutting up shop and moving away. An article in the *Border Morning Mail* suggested

that people's jobs are now on the line. It stated that industry can no longer put up with disruption caused by the Australasian Meat Industry Employees Union, and that abattoirs will have to go interstate or close down.

Where was the Labor Party? Why was it not looking after the 400 jobs in Wodonga? Those men did not want to go on strike. They had wives and families to keep. They had bills to pay and house payments to meet but they had to leave because the union has taken this action. The government will not deal with those people's jobs but allows industries to be placed under further threat.

Where is the government? Why is it not doing something about protecting the jobs of workers? I make a small wager. Come Christmas time I bet there will be a beer strike; we have one every year. I do not drink the stuff but some government members do. I guarantee also that postal workers will go on strike so that Christmas cards will not be delivered on time. No wonder this State is on its beam ends! No wonder Mr Ashman has the strong support of the Opposition, the future government of this State, in saying that this is a disgraceful set of circumstances.

The industrial relations system in this State is in turmoil and the Labor government, which should be looking after the workers and which has a vested interest in seeing that the economy of the State goes well, so that there are jobs for the workers, finds itself unable, probably for ideological reasons, to deal with the problems. Surely, if there is this unholy alliance between Lygon Street and Spring Street, as suggested in the *Herald-Sun* editorial of 25 October, the government should call the shots by calling in its friends to deal with the issue. It should not be a matter that comes before Parliament.

Given the problems that face this nation and the jeopardy in which the lives and jobs of so many people in the State are being placed because of sheer stupidity, surely anyone with an ounce of brains would call in the parties to ensure something is done to bring back sense and rationality to industrial relations in this State.

If one thinks that by becoming the clever country we will fix up everything, one needs only to think about the mindless strikes that have taken place in our schools over the past few weeks and the issue raised just the other day of a change agreed to by the Minister for Education whereby teachers who want to go on strike no longer have to inform the principal of the school that they will not be there so that the principal can adjust the number of students who attend school and so that students are not there without proper supervision. Not only do those teachers who intend to go on strike not have to let the principal know but the remaining teachers have the opportunity of turning up or not as they wish and if they do turn up, not only is there no job for them to do but fortunately they also get paid.

That is the level of professional people on whom this State depends to make this the clever country and to educate its young people. They are being paid a wage because they are fully professional people, that is the way their activities are being controlled by unions. If one wanted to make a total mess of Australia one could not go about it in a better fashion than the government is doing at the moment. That is the task the incoming government—as soon as we get rid of the mob that is there now—will have to face. That is the importance of the motion moved by Mr Ashman this morning and that is the reason the National Party is supporting it.

The State and this nation can no longer afford this stupidity. The working people of this State and this nation can no longer afford this stupidity. The businesses of this nation can no longer afford this stupidity and a responsible government must deal with it. I support the motion.

Hon. B. W. MIER (Minister for Consumer Affairs)—I oppose the motion and in doing so I shall outline a number of issues raised by previous speakers. I shall attempt to display to them the stupidity of their comments and to show them that their comments, which were mainly associated with issues that are now under control, are merely the regurgitating of the age-old bleating we hear from the Liberal and National parties.

Mr Ashman referred repeatedly to editorial comments in the *Herald-Sun*. I suggest that those editorials have been appearing in what was the *Herald* newspaper since its inception. It has always engaged in union bashing and opposition to industrial disputes. Mr Ashman could easily have gone to the library and found editorials written in November or December 1850 when a dispute took place on the Parliament House site over the construction of this building. The workers of the day took industrial action in support of an eight-hour day and attended mass meetings with workers on the Melbourne University site and the western market site. The editorial that appeared at that time would be almost verbatim in agreement with the editorials to which Mr Ashman referred a few minutes ago.

The editorials of newspapers in this city have not changed since 1850. If newspapers had had computers in those days it would have been easy for them to punch out the same story of each industrial dispute. The same sad story comes out of the Liberal State conference year after year. Now the Liberals have a brilliant new Leader, Mr Brown, leading them on to victory. What did he come up with at the last conference? Just another union bashing program but, for good measure, he threw in capital punishment to get things rolling again!

Mr Ashman's comments were really old hat. They were a regurgitation of the old theme we have heard time and again. No reference was made to the activities of the Australian Council of Trade Unions and the trade union movement about negotiations with employer groups and implementation of the prices and incomes accords under which this country has been working since they were introduced by the Hawke Labor government and with which this State, the ACTU and the employers have worked over the years.

Mr Ashman rattled off a whole list of disputes but he made no reference to what the disputes were about. He merely mentioned a whole host of companies that have had industrial disputes in recent times and implied some scandal associated with them. He said that some of the disputes related to redundancy packages. If a company intends to retrench its workers, obviously the workers will want to know what redundancy payment they can receive when they are dismissed. Mr Ashman does not take that into account. He merely rattles off a list of names of companies that have been involved in disputes over the past twelve months or so.

Speakers repeatedly referred to the Australasian Meat Industry Employees Union and the problems in the meat processing industry. Not one speaker referred to the reality of that dispute. It emanated originally from Portland where Elders, that company owned by the infamous Mr Elliott, former President of the Liberal Party, took over Borthwicks in Portland and immediately introduced a Federal award. He told the workers that he was changing the conditions that had applied there for years and the workers would be placed under a Federal award that in many cases meant a $60, $70 or $80 reduction in weekly wage and a deterioration in working conditions.

The Opposition surely does not suggest that that type of action is in the best interests of industrial relations! That attitude resulted in a strike at the plant that went on for many months and it had a chain reaction in other plants not only in Victoria but around the country. In this day and age when prices are continually increasing,

workers cannot afford to accept decreases in pay and a reduction in work standards. Let us not forget Mr Elliott and the infamous Elders International.

Honourable members interjecting.

Hon. G. R. Crawford (to Hon. G. R. Craige)—Why should workers accept a new award that pays them less? You're unreal if you think workers will cop that sort of situation!

Hon. G. R. Craige—You went in there——

The PRESIDENT—Order! It is totally unseemly and contrary to the traditions of the House for interjectors on both sides of the Chamber to conduct a shouting match and drown out the Minister.

Hon. K. M. Smith—Throw him out!

The PRESIDENT—Order! Honourable members will desist, and Mr Smith will desist from interjecting from out of his place.

Hon. B. W. MIER—Thank you very much for your assistance, Mr President. I agree with all the comments you have just made. Let us look at the firm of Elders, and its chairman of directors, Mr Elliott. Claims were made about what the trade union movement does for Australia but Opposition members should examine the contribution Mr Elliott has made to Australian society and the contribution his company, Elders, has made since this takeover.

Previously Elders was one of Australia's most reputable and longstanding companies, a company of repute that traded right across this land, but since being taken over by Mr Elliott it has been degraded to the state it is in now, and Mr Elliott is now trying to flog it on the world market and sell it to overseas investors. He has stripped it and now he wants to sell it, even though in the process there will be strikes right across the State and the country.

What has this man done for the country? I remind Opposition members that if they want to have a go at the trade union movement, they should look at both sides of the story. Mr Craige said he opposed a them-and-us policy but when one listened to his speech one gained no understanding other than the fact that he was quite clearly presenting a them-and-us attitude. He said, "We will clean up the unions and at the same time we will turn our backs on the Elliotts and the Elders of this world. We will let them get away with what they are doing to this country—selling it down the drain to foreign investors. He has put it on the market in Tokyo, New York and all over the world".

The reality is that Opposition members are not seeing both sides of the story. I agree that in recent times the number of industrial disputes has increased but overall Victoria still loses fewer hours or days due to industrial disputes than do other States.

Figures published over the past twelve months compare the twelve months to July 1990 with the previous twelve months to July 1989. Victoria recorded a 9.5 per cent increase in working days lost, which is an increase from 294 000 days to 323 000 days, but in New South Wales there was a decline. In 1989 the days lost totalled 684 000 and over the past twelve months the figure has declined to 345 000.

Nonetheless the figures still clearly show that the days lost in Victoria are far fewer than in New South Wales; and in the Australian Capital Territory and South Australia the figures exceed Victoria's. In general and statistical terms Victoria still suffers fewer days lost than other States.

This is brought about mainly because of good industrial relations in most of the industries, and a good example is the building industry. The building industry agreement in this State has brought about industrial relationships that are far better than those that applied many years ago prior to the election of the Labor government.

Mr Ashman and Mr Evans raised the question of State Electricity Commission disputes with the government. Let us examine the relationship between the SEC and the previous government in terms of disputes.

Hon. G. R. Craige interjected.

Hon. B. W. MIER—You raised them, too, did you, Mr Craige?

Hon. G. R. Craige—Can't you remember?

Hon. B. W. MIER—You won't want to remember. In 1979 or 1980 during the early construction period of the first stages of the Loy Yang power station there was an industrial dispute, and as a result of that dispute the previous government performed the greatest back down ever recorded in the history of industrial relations in this State. We saw the payment for lost time to all workers in all trades on that site for periods in excess of six months. Nowhere in the history of industrial relations records in this country have we seen such a backdown. If that is the record held up by Mr Ashman, Mr Craige, Mr de Fegely and Mr Evans, shame on you! The Liberal government at that time cost the taxpayers of this State millions of dollars, so the Opposition has no record to fall back on; its record is abysmal.

That is also reflected in the Liberal Party's repeated opposition to the prices and incomes accord that has brought about stability in industrial relations on a national basis. It has contributed more to industrial relations in this country than any other action that has been taken, and it is a credit to the Hawke Federal Labor government and all the State governments that have participated in the prices and incomes accord that has created this stability.

Mr de Fegely raised concerns about demarcation disputes. We are all aware of the nastiness they create and the concern within the trade union movement, employer organisations and the community generally. They are very difficult to resolve.

I am pleased to tell the House, including Mr de Fegely and the opposition parties, that the ACTU is conscientiously and actively pursuing a program at present to reduce the number of unions in this State and country from the current total of some 280 or 300 to 20 unions by way of amalgamations. That is Mr Kelty's program.

Hon. R. S. de Fegely interjected.

Hon. B. W. MIER—Amalgamations are taking place and, as Mr de Fegely would know, every time an amalgamation occurs the possibility of a demarcation dispute is automatically reduced. Of course, every time we talk about amalgamations and try to introduce legislation relating to the conduct of union ballots on the question of amalgamations, all sorts of hurdles are presented by the Opposition to prevent such amalgamations taking place and to continue the potential for demarcation disputes. Once again the Opposition is not fair dinkum on this issue because when attempts are made to move in this direction the Opposition always presents reasons to prevent action being taken.

At present, the ACTU is also conducting, through its affiliates, award restructuring procedures. Awards right across Australia are being restructured. Once again there has been opposition to this program. Restructuring of awards eliminates a whole host of the matters the Opposition has raised today. What does the Opposition say on the question of award restructuring? It says, "No, we are not interested". The Opposition

has this "them and us" policy; it wants to continue with its union-bashing programs and also, as it did last Saturday at the Liberal Party State conference, it wants to throw in a little bit of talk about capital punishment to help it along!

That is the abysmal record of the Opposition in industrial relations. God help the trade union movement, industrial relations and industry generally if the Victorian and Australian people allow the policies of the Opposition to prevail in this country!

I repeat: the government totally rejects the motion. The government will continue to work with all parties, including the Victorian Trades Hall Council, employers, individual unions, employer organisations—both State and Federal—and corporate companies to bring about, retain and maintain industrial stability and sanity in this State.

Hon. R. I. KNOWLES (Ballarat)—I enter this debate briefly to highlight what the Minister has just told the House, that is, that this government will continue to adopt a partisan approach to this crucial issue of industrial relations. Not once did the Minister even hint at any criticism of some of the outrageous approaches and tactics adopted by a few trade union leaders in this State. In his conclusion, the Minister said the government would continue to work with the trade union movement. We have no objection to any government working with the trade union movement. What we and Victorians object to is that the government has handed the power of veto to John Halfpenny, the Secretary of the Victorian Trades Hall Council. That is what the community objects to.

The community demands that industrial relations—which is a crucial area if we are to turn this State's economy around and rebuild this State which the government has brought to its knees—is adequately addressed. We need to tackle some of those crucial issues in industrial relations which are primarily outmoded and outrageous work practices.

Day after day when Ministers are asked in this House what approach they have adopted to tackle some of those critical issues in the departments under their own control, they are acknowledging that nothing has occurred. In question time this morning the Minister for Health finally told us that no progress at all had been made in the health field in regard to food services, despite having a report for months which suggested quite significant cost savings that could be effected if the government were prepared to take on the Hospital Employees Federation, No. 2 branch.

But the most classic case that demonstrated the government's approach was the Minister's comment on the meat industry dispute. There was no criticism of Wally Curran. Apparently the dispute, which is crippling an important industry in this State, is all the fault of Elders. What was the basis of that dispute? It was an attempt to keep an efficient industry operating in Victoria. The most telling facts are that in 1972 we had 20 export works employing 7062 people, and in 1990 we have 13 registered works, 10 of which are in operation, employing 2441 people.

What Wally Curran has done is export jobs and, in fact, bring the industry, which was of vital importance to this State, to its knees. It is absolute nonsense for the Minister, and also Mr Crawford by way of interjection, to suggest that Elders brought about the dispute because it was suggesting that employees take less pay.

We cannot isolate ourselves from the rest of Australia, let alone the rest of the world. This is an export country. What we need to do is encourage our export industries. What the government is doing is featherbedding and protecting the trade union thugs—and there are only a handful of them—who are stopping this State and country from rebuilding.

The Liberal Party does not run away from the fact that it made some mistakes when it was last in government. But what happened to us? We were defeated. However, we have learned from those mistakes and we have learned to appreciate that it is critical that we tackle some of those outmoded work practices and ensure that we improve our industrial relations system in Victoria. But that is not brought about by adopting the approach embraced by the present government; and from what we have heard today, that approach will be pursued by the government.

We do not run away from this issue. We will happily take up the issue of industrial relations with this government in the electorate or in any forum. In fact, we have outlined some of the initiatives that we will put in place when in government to ensure that some balance is returned to the industrial relations field. We will not run away from the thugs that this government is so determined to protect and, in doing so, bring into disrepute the overwhelming majority of trade union members who are responsible, hardworking, dedicated Victorians and Australians. They are the people we will work with; we will not protect the handful who control the preselection of honourable members opposite. That is what the crunch is, and the Minister's response today gives us no joy. I urge the House to pass the motion enthusiastically.

House divided on motion:

Ayes, 20

Mr Baxter	Mr Hall	Mr Skeggs
Mr Birrell	Mr Hallam	Mr Smith
Mr Connard	Mr Knowles	Mr Storey
Mr Cox	Mr Lawson	Mrs Tehan
Mr de Fegely	Mr Long	*Tellers*
Mr Evans	Mr Macey	Mr Ashman
Mr Guest	Mr Miles	Mr Craige

Noes, 13

Mrs Coxsedge	Mr Landeryou	Mr Van Buren
Mr Crawford	Mrs Lyster	
Mrs Hogg	Mrs McLean	*Tellers*
Mr Ives	Mr Mier	Mr Henshaw
Mrs Kokocinski	Mr Pullen	Mr Kennedy

Pairs

Mr Best	Mr Davidson
Mr Chamberlain	Mr White
Mrs Varty	Mr Sgro
Mr Wright	Mr Walker

Motion agreed to.

Sitting suspended 1.7 p.m. until 2.7 p.m.

CONSTITUTION (JURISDICTION OF SUPREME COURT) BILL

Introduction and first reading

For Hon. D. R. WHITE (Minister for Industry and Economic Planning), Hon. C. J. Hogg introduced a Bill to amend the Constitution Act 1975 and the Constitution (Supreme Court) Act 1989 and for other purposes.

Read first time.

TATTERSALL CONSULTATIONS (FURTHER AMENDMENT) BILL

Second reading

For **Hon. D. R. WHITE** (Minister for Industry and Economic Planning), Hon. C. J. Hogg (Minister for Health)—I move:

That this Bill be now read a second time.

The purpose of this Bill, which was foreshadowed in the Budget Papers, is to facilitate the development by Tattersalls of their Keno game into a more modern, sophisticated and attractive product.

It should be emphasised that this Bill is being brought to Parliament now in order to facilitate an expansion of an already existing Tattersall game in a new format. This is the first part of a comprehensive gambling package to be announced before the end of December. The Bill in no way pre-empts the outcome of the review of gambling presently being conducted by the government and it will not be proclaimed until the review is completed.

Tattersalls' proposal for the new Keno game involves draws every 5 minutes with the results being immediately available at the outlets on video screens.

Experience elsewhere, including South Australia, shows that sort of development is popular with the public. It will provide substantial new revenues for the Hospitals and Charities Fund as well as an exciting new game for Tattersalls players. Experience elsewhere also shows that to provide attractive prizes it is necessary to increase the overall return to the player. The Bill therefore proposes to increase the return to Keno players from the present 60 per cent to 72.5 per cent with a corresponding reduction in government duty rates. It is expected that increased turnover will generate increased revenue to more than compensate for this reduction in duty rates.

The Bill proposes a separate sliding duty rate scale for Keno of:

22.5 per cent on the first $100 million of Keno sales in a financial year;

23.0 per cent on the next $200 million of Keno sales in a financial year; and

23.5 per cent on the remainder of Keno sales in a financial year.

This gives Tattersalls a sliding scale of margins to fund Keno ranging from 5 per cent to 4 per cent. These margins are the same as those applying at present to all consultations. However, in the absence of this separate Keno scale, Keno would have to be funded on a 4 per cent margin and this is judged not sufficient to launch a radically modified game of the nature of the new Keno requiring substantial capital investment.

The proposals in the Bill for a separate Keno duty rate scale give Tattersalls a margin of up to $2 million a year more to run Keno than if it had to be funded on the existing 4 per cent margin. It should be remembered that to the extent that the margin is not used to meet operating expenses it contributes to the profit in which the government, and thus the Hospitals and Charities Fund, shares.

The Bill also proposes adjustment to the profit sharing arrangements. Presently, 25 per cent of Tattersalls profit is paid to the Consolidated Fund and 10 per cent is paid to the Lotteries Development Fund leaving 65 per cent for the trustees. However if the trustees' share would otherwise exceed 1.5 per cent of sales the excess over the 1.5 per cent is at present divided equally between the government and the LDF. The Bill proposes to remove the ceiling on the trustees' profit and to change the profit shares

to a flat 50 per cent to the trustees, 35 per cent to the government and 15 per cent to the LDF.

This arrangement removes the disincentive effect on Tattersalls of a profit ceiling but in terms of the bottom line leaves the parties in broadly the same position as at present. It is in the interests of Victoria, as well as the trustees, that the trustees are able to share in the marginal dollar of profit and thus have an incentive to maximise their operational efficiency.

The effect of the arrangements proposed in this Bill is to make it possible for a development to proceed, which is estimated to increase revenues to the Hospital and Charities Fund by $20 million in a full year. The Budget Estimates for 1990–91 include allowance for an additional $7 million from Keno. The outcome will, of course, depend on when the new Keno game is commenced.

I commend the Bill to the House.

Debate adjourned for Hon. R. M. HALLAM (Western) on motion of Hon. R. I. Knowles.

Pursuant to Order of Council of 5 September 1990, debate adjourned until first sitting day in 1991.

LA TROBE UNIVERSITY (BENDIGO AND WODONGA) BILL

Second reading

Debate resumed from 27 November; motion of Hon. B. T. PULLEN (Minister for Education).

Hon. HADDON STOREY (East Yarra)—This is another in a series of Bills that deals with amalgamations of tertiary institutions in this State. It should have been dealt with months ago and, indeed, the whole amalgamation process should have been over months ago had the government handled it properly. Instead there has been a shambles in higher education to such an extent that those in other States laugh when people talk about the state of amalgamations of higher education in Victoria.

During the past few weeks there has been an announcement that the discussions between La Trobe University and the Phillip Institute have broken down; the discussions between La Trobe University and Swinburne Institute of Technology have broken down; Victoria College was to amalgamate with Deakin University, but the government wants it to come to some arrangement with Monash University, and Melbourne University has had to defer its discussions with the Victorian College of the Arts. The discussions between Melbourne University and Pharmacy College Victoria have broken down. Nobody knows what will happen to the Victorian College of Agriculture and Horticulture, least of all the Minister, as disclosed by the various non-answers that he has given to questions asked about this matter over the past few weeks.

The rationale for the series of amalgamations was that Victoria would have five strong universities—the Minister has said that we must not have more than five universities. That would mean that adequate funding would flow from the Commonwealth and that research funds would also flow. The system would be strengthened.

The time and energy of hundreds and perhaps thousands of people in academic institutions around Victoria have been taken up with endless discussions, debates and negotiations on whether amalgamations should take place. The eventual outcome appears to be that the Commonwealth has given Victoria away. It is so disappointed

with the discredited process of amalgamation in Victoria that it is virtually ignoring our needs. That was indicated in a recent paper by the Victorian Post-Secondary Education Commission that deals with base funding adjustments required to bring Victorian higher education institutions within the funding band designed by the Commonwealth in relation to its funding model.

The paper makes depressing reading. It indicates that the funding arrangements being proposed by the Commonwealth are actually a disincentive for institutions to amalgamate. The paper says that the proposals by the Commonwealth Department of Employment, Education and Training have the potential to create a major disincentive for institutions to proceed with amalgamations as they will be financially disadvantaged if they do so. Another even more startling statement was made in the paper; the commission pointed out that Victoria has argued for the development of five universities to gain an increased share of research funds and went on to say that the DEET proposals ignore this.

In other words, after all that pain and suffering the Commonwealth funding proposals will leave Victoria languishing, which will be a disincentive for further amalgamations. Instead of research funding for Victorian institutions being increased it is likely to be decreased, which is an indictment of the way the government has handled the process. The current Minister for Education has held his portfolio for only a few months, so the problems in this area are not all his fault. Nevertheless he must share the blame with the former Ministers for education, Mr Walker and Ms Kirner, the current Premier.

This is a deplorable state of affairs. It has reached the stage where the Vice-Chancellor of the University of Melbourne issued a press release today in which he points out that the Commonwealth government has decided to withhold funding from Victorian tertiary institutions other than the new Victoria University of Technology. Clearly the Commonwealth government has given up on Victoria. It seems that Victoria's share of research funds has been given to other States, to their advantage and Victoria's disadvantage.

It is a sorry setting in which to discuss the Bill, which proposes the amalgamation of the Wodonga Institute of Tertiary Education and the Bendigo College of Advanced Education with La Trobe University. The one pleasant aspect to the matter is that this amalgamation has been sought by the three institutions concerned and has not been bedevilled by the same dissension that has surrounded other amalgamations.

La Trobe University is one of the major tertiary institutions in Australia. It has places for approximately 10 000 students and has over the years forged a worldwide reputation for research. Its campus is a showpiece that affords agreeable surroundings for it students. Most importantly it is a significant provider of tertiary education for students in the northern suburbs.

What is now called the Bendigo College of Advanced Education has a longer history than La Trobe, beginning as the Bendigo School of Mines and Industries in 1873, about which I am sure Mr Best will have more to tell us. The Bendigo college has approximately 3500 students, who enjoy the pleasing surrounds of its campus. It offers educational opportunities for tertiary education, particularly in north-western Victoria. The Wodonga Institute of Tertiary Education is a more recently established institution and is interesting because it provides facilities for different facets of post-secondary education, and in particular offers both technical and further education and university courses.

People in Wodonga have always dreamt of having a tertiary institution established in the Albury–Wodonga area—and I am sure Mr Baxter will have something more to

say about that. Unfortunately the New South Wales government has not taken the direction sought by the people of Albury–Wodonga, so they have had to look to a tertiary institution in Victoria to realise their dream. It makes sense that the institute should link up with the university; in fact the Wodonga institute became affiliated with La Trobe University in August of this year, as a precursor to amalgamation. Under the Bill the Bendigo CAE will become a college of the university, and will retain autonomy while enjoying the advantages that flow from being associated with La Trobe. The Wodonga institute will become part of La Trobe University; and all three institutions will gain from the amalgamation arrangements, which will increase access to tertiary education for Victorian students, particularly those who live in north-eastern and north-western Victoria. A wider range of courses will be offered as a result of the amalgamation. It is important that students who live in country areas are able to commence their post-secondary and tertiary studies in country areas before coming to Melbourne to complete them rather than having to make a decision, immediately after leaving school, that might take them away to Melbourne for all of their studies.

Although I doubt whether the funding advantages promised under the Commonwealth arrangements will come to pass, on behalf of the coalition parties I wish the Bill well and hope the amalgamation of the three institutions will work to the advantage not only of present and future students but of Victoria in general. For that to be achieved the government must make a commitment to the amalgamation to ensure that the supposed advantages will be gained. The Minister for Education must take a personal interest in the matter and vigorously pursue these issues with the Commonwealth. I was disappointed when not so long ago, in answer to a question without notice, the Minister spoke about his meeting with his Federal counterpart, Mr Baldwin, the Minister for Higher Education and Employment Services, describing how well they had got on and how they had discussed the future of tertiary education in Victoria.

The report by the Victorian Post-Secondary Education Commission on the Commonwealth Department of Employment, Education and Training proposals makes it clear that the discussions did not touch on major issues. The Minister must ensure that Victoria is not disadvantaged. He must take the lead in calming the current amalgamation fever in Victoria and ensuring that our tertiary institutions know where they are and where they are heading. Most importantly the Minister must press the Commonwealth to again take Victoria seriously and to provide adequate funding to meet the needs not only of our amalgamating tertiary institutions but also of all Victorians for increased access to higher education and research. Expressing that devout hope, I am pleased to support the Bill.

Hon. W. R. BAXTER (North Eastern)—The La Trobe University (Bendigo and Wodonga) Bill is one in a series that has come before Parliament to put in place the Dawkins scheme for wholesale amalgamation of tertiary institutions throughout Australia. I am not convinced that what the Federal Minister is doing in this regard will in the long run turn out to be a very useful exercise. As Mr Storey has indicated, the Victorian experience has been a fairly sorry tale of much confusion, argument, stopping and starting and much frustration generated among many of the institutions. I share Mr Storey's fervent hope that the process is coming to an end and matters can settle down from now on.

I speak with pleasure of the fact that north-eastern Victoria is being accorded university education facilities. I speak as someone who, despite not having a university education, joined an organisation known as the Riverine University League. I first attended a meeting of that league twenty years ago at, from memory, Goolgowi because the secretary of the league was a very energetic and enthusiastic person who happened to be the shire clerk for the Shire of Carathool. For those honourable members who are

not too sure of their geography, Goolgowi is near Griffith in the Riverina. The Riverine University League had been founded and held up for many years by Dr W. A. Merrilees. It is one of my great regrets that Dr Merrilees did not live to see a university established in the Riverina—the Wagga campus of Charles Sturt University. Dr Merrilees's great work for the establishment of tertiary institutions in the Riverine part of Victoria and New South Wales has been recognised by naming the library at Wagga the W. A. Merrilees Library.

For many years there were other notable personalities in the league, including the former senator and long-serving mayor of the City of Albury, Cleaver Bunton. I am glad Cleaver Bunton is still a resident of Albury and has seen his dream realised to some extent. I say "realised to some extent" advisedly because for many years the aim of the league was to have an independent, freestanding university established in the Riverina which would have served that area. I was one of many who took the view that if Armidale in New South Wales could have a university there seemed no reason why Albury-Wodonga—with its expanding population and closely settled areas, particularly on the Victorian side of the river—could not also enjoy the status of having a university. As all honourable members know that never came to pass in the concept the league had promoted for so many years. In the end the league gave up on the fight for an independent university and was prepared to accept the establishment of the Riverina College of Advanced Education at Wagga, which eventually became part of Charles Sturt University, together with campuses at Albury and Bathurst.

For years I held the hope that Albury-Wodonga could have a university. It seemed to me it would be appropriate it should come under the aegis of the Australian National University in Canberra. I justified that notion on the basis that Albury-Wodonga was unique: it was two-State, three-government, federation-type development and it seemed to me there was a prospect a university linked with ANU was the appropriate way to go to overcome the border problems that so often have been barriers in Albury-Wodonga. It is to my regret that unfortunately ANU showed no interest at all in that proposal.

The next step was to have the Wodonga side of the river incorporated in the university that was being established and subsequently it became known as the Charles Sturt University. It is my second regret that the New South Wales government—it was a coalition government—and in particular the then Minister for Education, Dr Terry Metherall, was so much a bull at a gate that the project did not get off the ground. One can sense the degree of frustration felt, not only by me as one of the local members in Albury-Wodonga, but by many people in the area and particularly those who aspired to tertiary education. I give the government some credit that the establishment of the Wodonga Institute of Tertiary Education went some way towards meeting those aspirations. In due course the connection with La Trobe University—which this Bill consummates—was established.

I pay tribute to some dedicated and far-sighted citizens of north-eastern Victoria who did not allow the frustrations and many barriers confronted along the way to stop them achieving their aim of having a university in Wodonga. In particular I mention Mr Jim Sawyer, a farmer from Barnawartha with interests in a number of other fields, and Mr Geoff Smith, who was director of the institute. They are not alone—there are many others—but they have been the prime movers and guiding lights and I feel they will be well pleased that Parliament today is passing this legislation.

Mr Storey has set out the situation that applies in Wodonga. I understand it is a unique situation in that virtually all of the post-secondary facilities are now being located on one campus. The institute—which is now becoming part of La Trobe University—will share the same site with TAFE. That is a useful intermingling of disciplines which will be of great benefit to students in both streams.

The buildings that have been constructed and are under construction are excellent. I point out to the House that one of the major buildings is the former headquarters of the Albury-Wodonga Development Corporation which has been refurbished. Many people thought it was impossible to appropriately adapt that building for its new role, but I am pleased to be able to say in recent weeks I attended a function that commissioned some of the facilities for catering courses and the building has been adapted extremely well. It will continue to serve a useful purpose. It is good when buildings—although this one was not of any great age—can be refurbished for a new use when their original use has become redundant.

I have also inspected the new buildings being used for the training of nurses in college-based training. That is an excellent building in a very modern configuration. I have been critical of the work of some modern architects, but I can say the Wodonga examples are sensibly designed buildings of a practical nature. I believe the campus will go from strength to strength and will attract students from a wide area of Victoria and the Riverina.

I have sought and received assurances from authorities in Victoria and New South Wales that to every degree possible there will be no duplication of courses offered by Charles Sturt University, Albury and La Trobe Universty, Wodonga. It would be a total waste of resources if there were unnecessary duplication of courses. I am not saying I do not believe in competition; I think competition between tertiary institutions is probably as valuable and useful as competition among businesses and in other areas.

I do not think at this stage the student body is large enough to justify the deployment of resources and duplication of courses in Albury and Wodonga. I have received assurances that is not going to be the case. I look forward to continued interaction between the two universities so they work cooperatively.

I maintain my long-held view that I first acquired over twenty years ago when I joined the Riverine University League, that at some stage in the future—whether it be sooner or later—we should have one unified university at Albury-Wodonga.

Hon. J. G. MILES (Templestowe)—It is with some reservation that I will explain to the House that I join with my colleagues Mr Baxter and Mr Storey in supporting the La Trobe University (Bendigo and Wodonga) Bill. At the outset the Opposition says it supports the Bill. However, as has been stated before in this House in respect of other amalgamations—the last ones being the Chisholm Institute, Monash University and Gippsland Institute that the Opposition supported on which I raised some issues and I raise them again now—the amalgamation pressure is from the Commonwealth and the States, in this case Victoria, have slavishly accepted that pressure because they have no money.

In a situation where the Federal government says it will give the State so much money for education, a proportion of which can be used for amalgamations, and a proportion for research funds for those amalgamated institutions, a State that is broke has to accept what Big Brother—that is, the Federal government which has the taxpayers' money—tells it to do, irrespective of whether it believes in these amalgamations. I feel some sympathy for the Minister for Education and the Premier in the sense that they probably have no option but to do whatever Big Brother says. As Dr David Kemp, a former professor at Monash University and now the shadow Minister for education in the Federal Parliament, said quite bluntly in his maiden speech, Mr John Dawkins, the then Federal Minister for education believes in the corporate State; that big is beautiful. He believes in Big Brother control and the idea is to force, persuade, coerce and cajole institutions, colleges and universities in the various States to amalgamate because the Labor socialists in Canberra feel it is easier to control a large

organisation than a group of smaller organisations and to impose on them its own individual autonomous views, ideas, theories, ideals, and so on.

Dr David Kemp put up in a very analytical and cogent speech that some of these amalgamations in Victoria—his home State—had some dangers and smacked a little of authoritarianism and Big Brother corporate State socialist interference from Canberra. He also pointed out that the possibility and the danger of Canberra saying to Victoria or other States, "Do you want funds for next year?" then saying to individual colleges or universities that were discussing amalgamation, "Do you want funds for next year to exist? I strongly suggest that you amalgamate and then you will get some funds. I think that is a good idea, don't you? By the way, there will be money available". The implication is that if they do not amalgamate and do as Mr Dawkins says, they will not receive any money for education; that in Victoria the Minister for Education will not have any money for them and the colleges and universities might not get the funds they need to exist for next year and, therefore, whether they want to or not, they should amalgamate.

In putting forward this point of view as put by Dr Kemp I am not saying that there are not some virtues and some value in amalgamation. My colleagues Mr Baxter and Mr Hall pointed out in debate on the Bill dealing with the amalgamation of the Gippsland and Chisholm Colleges and with Monash University that some institutions gain some value from amalgamation. In the case of Wodonga and Gippsland and the other amalgamations I referred to there are considerable advantages in country areas but, thanks to the economic recession caused by the Federal and State governments, those institutions are really struggling and some country areas will receive a shot in the arm educationally—heaven knows, they need a shot in the arm because they are getting shot financially and economically in other ways—if their tertiary institutions have the status of a university or are part of a university campus.

I appreciate there are some advantages in amalgamation: a corporate entity resulting from the amalgamation of three other entities might manage to provide more efficiently and cheaply a broader range of services and gain the status of a university. That applies particularly in country areas such as Wodonga. Again, there are some concerns that my colleague Mr Storey alluded to in his speech. A press release from Professor Penington, Vice-Chancellor of the University of Melbourne, dated 27 November 1990, is headed "Commonwealth withholds Victorian higher education funding". Mr Storey has alluded to this and it is worth mentioning again. If there is such value in amalgamation; if research funds are to be available and if increased efficiency in the amalgamated institutions will result, one would expect the academic leaders of those institutions such as Professor Penington to say amalgamation is good, that everything is going well and that they are glad the amalgamation is going well, but they have misgivings. It is not just the Opposition making political capital and point scoring; the academics themselves are concerned. The press release states:

> The Commonwealth government has decided to withhold significant funding from Victorian tertiary institutions other than the Victoria University of Technology. In figures to be released on Friday for all Australian higher education institutions, the Commonwealth has not allocated any funding for capital works or growth for 1993 to Victorian tertiary institutions other than the Victoria University of Technology, because of continuing uncertainty about amalgamation arrangements in Victoria.

Professor Penington goes on to explain the concern of Victorian tertiary education institutions about the amalgamations and the promised funding from the Federal government. In other words, one of the reasons for the amalgamation is that the institutions will be better off, there will be improved cost efficiency, services will be consolidated and therefore more efficient and cheaper. Also, they will have some money.

Professor Penington, whose authority is unquestioned in the education world says in that press release that the Commonweath government has decided to withhold significant funding from Victorian tertiary institutions. The Commonwealth's decision must cause considerable worry to the institutions that have already agreed to amalgamation under previous Acts passed by this House as well as to those who will be involved in amalgamations proposed for the future, such as the amalgamation that is the subject of the Bill. I refer again to Professor Penington's press release in which he stated also that:

> the Commonwealth's position displayed its general approach which seemed to be to write off Victoria as a political liability.

At least 56 per cent of the Victorian people have written off the Victorian government as a political liability. Labor Party supporters have written off Victoria as a political liability and it would be natural that the shrewd heads among the members of the Federal ALP government have written off Victoria as a political liability; they will be in good company in taking that position.

From the public opinion polls published today, it seems the Australian public has written off the Federal government as a political liability. The polls indicate the Labor Party has some 30 per cent of the Australian public's support.

I continue reading from the press release:

> The Commonwealth seems to be avoiding spending money in Victoria, with the exception of spending on the politically favoured Victoria University of Technology with its commitment to the western suburbs. The only alternative explanation is that the Commonwealth does not regard the Victorian government as competent to advise it on matters of higher education.

The last sentence is damning. The statement confirms the views held by honourable members on this side of the House about both the Victorian and Federal Labor governments. The Australian public apparently holds the same view of the Federal government, according to the polls published today. The situation is rather like the pot calling the kettle black when one has the Commonwealth government criticising the Victorian government!

I repeat: the statements I have quoted were made by a senior academic. Professor Penington is not a political figure but a highly respected figure on the Victorian tertiary education scene. It seems that not just the Opposition has concerns about previous and proposed amalgamations of institutions but also senior academics have problems with the amalgamations.

I divert briefly to indicate the Federal government should be concerned about the Victorian government in the realm of education. This morning I heard the Minister for Education say on ABC radio that no problems are being experienced with the Victorian certificate of education; he said everything was going along beautifully. I was amazed to hear the statements, which included one that everybody was satisfied with the progress of the VCE! He said also there were no problems and no criticisms of its progress, and that a few discussions were being conducted to finetune a couple of things. As I said, I was amazed to hear the Minister's statements because Victoria has experienced repeated strikes by teachers extending over the entire spring session of Parliament. The Minister for Education—who is handling the Bill—has indicated negotiations are proceeding well and everything is all right. However, Victorian children are not being taught in the schools because the militant teacher unions are playing the Minister on a break and going on strike after strike.

Hon. B. T. Pullen—What sorts of strikes? You are three weeks behind!

Hon. J. G. MILES—In response to the Minister's interjection, this speech will be made over and over again until the government is deservedly thrown out of office. The government will hear this speech until it goes to the polls.

Hon. B. T. Pullen—But you could keep it up to date!

Hon. J. G. MILES—I am very much up to date; I read the latest reports of teacher strikes and the latest public opinion polls.

Hon. B. T. Pullen—But you have not answered my question.

Hon. J. G. MILES—It is the Minister's responsibility to ensure the unions do not encourage teachers to go on strike but perform their duties and teach children.

I return to the debate, having I hope dismissed the Minister for Education who will have his turn later. The Opposition supports the Bill in general terms. Although the advantages of the Bill to the Wodonga Institute of Tertiary Education and to the Bendigo College of Advanced Education—located in another country area—and perhaps to La Trobe University are apparent, the Opposition is concerned that individual institutions such as the Chisholm Institute of Technology will lose autonomy.

Chisholm has a hard-won position in the business world because it has produced outstanding graduates for business in this State—if any business is left in the State! The Opposition is concerned about both the potential loss of autonomy and the Federal government forcing the amalgamations, perhaps against the wishes of some councils of individual institutions.

As Professor Penington said, even when the amalgamations are being undertaken on the promise they will be funded for administration costs, the Federal government is either stopping, delaying or deferring the transfer of funds needed by tertiary institutions involved in amalgamations. I say to the members of councils of La Trobe University and the institutions in Bendigo and Wodonga that they should ensure the resources and funds promised under the proposed amalgamation will be forthcoming before they consummate any amalgamation. They may be disappointed as some other institutions have been disappointed and continue to be disappointed, as Professor Penington has said.

With some reservations and with serious criticisms of this failed Victorian government and the failed Federal government, the Opposition supports the proposed legislation. It is supported simply because the institutions concerned have indicated their desire to have the Bill passed. For their sake I hope the amalgamation works well and efficiently and the institutions will be stronger as a result. I reiterate my hope that members of the councils of the institutions will do their homework first and ensure the promised funds are not cut off and they do not suffer from the amalgamation.

Hon. R. A. BEST (North Western)—I have great pleasure in contributing to the debate, not only in my capacity as the National Party member for North Western Province, but also as the National Party representative on the council of La Trobe University.

I was concerned when the La Trobe University (Bendigo and Wodonga) Bill had not appeared earlier in the session. It is disappointing that the legislative program of the government has resulted in the Bill being introduced into the House at this late hour. If it had not been introduced now difficulties would have arisen for both the Bendigo College of Advanced Education and the Wodonga Institute of Tertiary Education, soon to become the La Trobe University College of Northern Victoria. I have been in constant contact with the director of the BCAE, Dr John Webster, not only on the

amalgamation but more recently on a submission to the Federal government's review on agricultural and educative courses.

The Bendigo College of Advanced Education has a long tradition. It is a well-established school that has had several name changes over a number of years. The former School of Mines was founded in 1873. Later it became the Bendigo Institute of Technology. In 1976 it merged with the State College of Victoria, and the Bendigo College of Advanced Education was established. Currently approximately 3500 students attend the BCAE on a full or part-time basis. At present the college offers both undergraduate and postgraduate programs in the arts, business education, health sciences, science, and engineering faculties.

The Wodonga Institute of Tertiary Education was established in 1987. Currently some 500 students attend its courses. It offers programs in nursing, education, business studies and the arts. The college provides access to tertiary education for students in the Albury-Wodonga area. The Wodonga College affiliated with La Trobe University in August as a preliminary step towards complete amalgamation. The reasons for the merger of the two institutions stem from the Federal Minister's study into higher education in Australia. There has been a question about the veracity of that review and the instruction from that review to force an amalgamation because it will be interesting—and perhaps "interesting" may not be a harsh enough word—to see whether the funds will be forthcoming, as has been promised.

However, I am pleased that the Bendigo and Wodonga colleges, and La Trobe University have much in common, particularly in the provision of courses for health services. They are working well together and there are definite advantages for all the institutions.

As late as 23 November I spoke to Dr John Webster, Director of the BCAE; he forwarded a brief note expressing his desire that the Bill should pass. I refer to that letter from Dr Webster, which states:

> Thank you for all the help that you have already given us in connection with this legislation. I note that the La Trobe University (Bendigo and Wodonga) Bill passed through the Legislative Assembly last night, and will now be considered by the Legislative Council. We are very happy indeed with the overall document, and consider that the Parliamentary Counsel has done a fine job in interpreting the complex arrangements agreed to between the institutions and translating them into relatively simple and workable legislation.

It is a very complimentary document, particularly to those within VPSEC and Parliamentary Counsel who worked closely to present the Bill. Dr Webster further explains that there will be some amendments to the Bill—and I look forward to the Minister placing them before the House—and that when they are effected he will be more than satisfied with the Bill. A successful amalgamation or affiliation requires two main principles in order to have a maximum possible influence. The first is the willingness to work together and the second is an understanding and appreciation that the two are now one institution with several campuses.

The second point is very important to me, particularly in my role as a councillor of La Trobe University; it is to ensure that there is the opportunity of further expansions of the degree and doctorate courses, and to enable country students to have access to those courses. A reason why there has been such a willingness by Wodonga and Bendigo to affiliate with La Trobe University is that for too long those courses have been denied to country students. It is with great pleasure that I support the Bill and consider it is apt that many young and not-so-young people throughout country Victoria will have the opportunity of undertaking higher degree and doctorate courses.

That brings me to another issue to which I alluded at the commencement of my contribution to the debate, namely the recent working relationship I have formed with

Dr Webster and Dr Ian McBean, the Deputy Director of the BCAE in making a submission to the Federal review on agriculture and related education courses. Of course that delivery is so vital.

On 20 August 1990 I wrote to Mr Harry Tys, Executive Secretary of the Review of Agricultural and Related Education, outlining the benefits of Bendigo being able to provide some of those courses. My letter stated:

> The above discussion paper was recently brought to my attention and I note particularly the relatively low level of input from the private sector during the initial round of consultations.
>
> As the Parliamentary representative for North Western Province, which covers an extensive area of northern Victoria, I believe there are some observations I can offer which may prove to be of some assistance to the review panel.
>
> Northern Victoria is a region of diverse agricultural production systems, which contribute significantly to the export earnings of Australia. The region is also beset by extensive land and water salinity problems which threaten the value of this production.
>
> The future well-being of the region, its people, and the contribution it can make to the national economy, is ultimately dependent on the research effort available to support land and water management practices and agricultural production.

In the letter I also referred to a motion that had been passed by the North Central Region Advisory Committee to the Rural Training Council of Victoria. That resolution stated:

> That this committee believes that the interests of the northern Victorian region would be best served by a closely coordinated effort in the development and delivery of all rural, agricultural and related education between industry, La Trobe University, the La Trobe University College of Northern Victoria (i.e. Bendigo CAE), VCAH (Dookie) and TAFE colleges in the region.

In that letter I stated:

> The opportunity identified in the above recommendation is one I would represent most strongly to the review panel.
>
> The grouping of education institutions offering across the entire spectrum from pre-vocational programs to Ph.Ds and linking across the entire northern Victorian region represents the necessary base requirements for a truly integrated response to agricultural education.

It is very timely that Bendigo and La Trobe University have put their cards on the table, particularly as the government is presently considering relocating the Department of Agriculture and Rural Affairs headquarters. While that has been a Dutch auction and something about which I am not particularly happy——

Hon. R. I. Knowles—Do you support giving it to Ballarat?

Hon. R. A. BEST—No, Mr Knowles, I do not support Ballarat, but I wholeheartedly support Bendigo; it provides the best case. It has the best location and the opportunity of delivering not only associated educational forces but also it has a climate that would facilitate the moving of many families from the metropolitan area.

Recently the draft report of the Federal review was released. It is of great concern that again an attack has been made on courses offered by La Trobe University. The draft response to the review was that Melbourne University would be a more preferred deliverer of agricultural education courses. If La Trobe University is prepared to consider the delivery of agricultural education courses from the Bendigo campus, and if it is able to affiliate with Dookie College, which logistically would be a very sound move, the whole of northern Victoria—from Wodonga to Bendigo, through the

Goulburn Valley and up to Swan Hill, and to the associated TAFE colleges in Mildura—will provide an excellent opportunity for all students in the region to have access to those vital and necessary doctorate courses.

The legislation is before the House because it gives honourable members the opportunity not only of questioning the Federal government's commitment to funding arrangements to universities, colleges and institutions that have amalgamated but also of putting forward a wish list about the ideal education courses for young country students.

A briefing note I received from Dr John Webster has an alarming ring to it. The note is dated 26 November and states:

> So far as the college is concerned, the central motive behind the affiliation has consistently been to ensure that country students can achieve the same access to university education as city students. Participation rates in higher education in central and northern Victoria are very low by any measure. If the 17–24 year-old-age group is assumed to be most critical, the current rate, despite several years of vigorous effort by the college and by regional schools, is only two-thirds of the State average. If the participation rate relative to the overall population is seen as a more accurate measure of the skills available in the workplace, the rate is about one-third of the State average.

The briefing note further states:

> The college has sought funding for major enrolment growth to redress these problems. The target which has been chosen, to bring the regional participation rate for 17–24 year-old-students up to the present State average over a five-year period, is clearly achievable. However, to be fully effective, the affiliation with La Trobe University must be accompanied by a significant increase in the resources made available for the delivery of higher education in regional Victoria. These resources cannot be transferred from outer metropolitan communities which are themselves suffering from lack of adequate access to key educational programs.

Clearly the pressure is back where it belongs. It is up to the Minister not only to provide resources but also to provide access to those resources for young people.

It is with pleasure that I agree to the passing of the Bill. Negotiations about the provisions have been difficult at times, and I thank Dr Ian Allen from the Victorian Post-Secondary Education Commission for his help and understanding through most of the critical negotiations.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 27 agreed to.

Clause 28

Hon. B. T. PULLEN (Minister for Education)—I move:

1. Clause 28, line 29, omit "approval" and insert "agreement".

It appears to be a small change and it does not make any legally significant difference. However, the word "agreement" is more palatable to the institutions involved. In the spirit of having an agreement satisfactory to all parties, the amendment should be agreed to.

Hon. HADDON STOREY (East Yarra)—The Opposition was aware of the amendment and has spoken to the representatives of the institutions concerned. The amendment is fully in accord with their intentions, and the Opposition is happy to support it.

Amendment agreed to.

Hon. B. T. PULLEN (Minister for Education)—I move:

2. Clause 28, lines 30 and 31, omit ", and terminate the appointment of,".

3. Clause 28, after line 31, insert—

"(3) The Council may, after consultation with the College Council, withdraw the right of a person appointed under sub-section (2) to use the title of professor or reader.".

The amendments change the power to terminate the appointment of staff and replace it with power to maintain control over professorial titles. The amendments are more appropriate because the college council is the body empowered to appoint staff and it is not appropriate for the university council to have power to dismiss them. However, it is appropriate for the university council to have power over the use of professorial titles. The amendments clarify the situation and are satisfactory to all parties.

Amendments agreed to; amended clause agreed to; clauses 29 to 35 and Schedule 1 agreed to.

Reported to House with amendments.

Report adopted.

Third reading

Hon. B. T. PULLEN (Minister for Education)—I move:

That this Bill be now read a third time.

In doing so, I thank honourable members who have contributed to the debate.

Motion agreed to.

Read third time.

DEBITS TAX BILL

Committee

Resumed from 27 November; further discussion of Schedule 2.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

Schedule 2, page 10, lines 1 to 4, omit paragraphs (*a*) and (*b*).

I thank the Committee for agreeing to progress being reported. What has occurred is that in Schedule 2 dealing with modifications of the Commonwealth Act, words have been introduced in clause (4) which make the words in clause 4 (*a*) and (*b*) redundant. It is more appropriate to explain to the Committee that the reason for deleting those four lines is that the words are redundant rather than saying there has been a typographical error.

The words inserted in clause (4), which is the second edition of the schedule, are more appropriate for the purposes of the schedule than the words that were previously included under (4) (*a*) and (*b*).

Hon. R. M. HALLAM (Western)—The Opposition is prepared to accept the Minister's assurance that the amendment remedies a drafting error. I thank the Minister for making available the officers of his department. It seems that in an earlier draft the same amendment was included in another version or form and that the schedule as now constructed in the Bill inadvertently includes both the earlier version and the later revision.

In other words, it would appear to be a straight duplication. On that basis, and as it was explained to the coalition, the Opposition is happy for that amendment to be passed by the Committee.

Amendment agreed to; amended schedule agreed to.

Reported to House with amendment.

Passed remaining stages.

PUBLIC AUTHORITIES (EQUAL EMPLOYMENT OPPORTUNITY) BILL

Second reading

Debate resumed from 27 November; motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

Hon. ROSEMARY VARTY (Nunawading)—This Bill was introduced into the Parliament in 1987 and when Parliament was prorogued for the 1988 election it disappeared from the Notice Paper and has not been reintroduced in the interim until now. The Bill is basically the same as that introduced in 1987 with one exception: the provision for quotas in the 1987 Bill has been removed. The Bill extends the principles of equal employment opportunity to public authorities which have more than 40 employees.

It is said that 15 per cent of employment is in the public sector and the Bill picks up the third element of the public sector coverage by equal opportunity employment legislation. The first element was in the Victorian Public Service when the Act was amended in 1984. The second element was under the new Local Government Act which passed through this House in 1989. Of course, the private sector has been largely covered for some time by Commonwealth legislation.

What are the main authorities which will come within the ambit of this legislation? There are some that come readily to mind: the Melbourne and Metropolitan Board of Works; the Gas and Fuel Corporation; the State Electricity Commission; water boards; hospitals and schools and a number of other small statutory authorities. That is not to say a number of those large authorities have not had equal employment opportunity programs in place for some time, because they have.

What are the groups that are identified to be covered under the legislation? The Bill relates particularly to women, and it has drawn an amount of flak from some quarters because it may be suggested that it is a form of positive discrimination. However, when I go through some of the factors which contribute to the present situation it will be fairly clear that that is not the outright intent, nor is it expressed specifically other than in the Minister's second-reading speech. We should not forget there are disadvantaged groups other than women in the area of employment, and in some cases men are discriminated against in certain sectors of employment.

In the current market segregation it is clear that women are disadvantaged in a number of sectors because their employment range fits a very narrow category of occupations. As at June 1990, 77.1 per cent of clerks are women; 62.7 per cent of salespersons and personnel workers are women; 39.8 per cent of professionals are women; but only 23.3 per cent of managers and administrators are women. Therefore it is fairly clear that the lower level occupations have the highest concentration of women.

In the industry classification the figures tend to be very similar because 65 per cent of employees in the community service areas are female whereas in industries such as

electricity, gas and water only 8.6 per cent of employees are women. There is an imbalance which has come about through a number of factors over a very long time. If we recognise that we have an ageing population and a work force that needs a full utilisation of skills, we have to consider carefully the mechanisms by which we ensure that utilisation happens.

That is not to suggest that at any stage quotas should be imposed on any organisation that brings about positive or reverse discrimination. In 1986 the Public Service Board conducted a study on the need to extend equal employment opportunity policy to statutory authorities. The report provided convincing evidence that the employment status of women in Victorian statutory authorities was low and highlighted the need for some government action to improve the situation. It concluded that employment profiles of most authorities did not reflect women's improved position in the general labour force over the past twenty years, and that the majority of women employed in the authorities were in the traditionally female dominated areas of health and education. It further concluded that women were under-represented in trade, technical and other skilled categories, with less than 3 per cent of management positions across all authorities being filled by women.

The proposed legislation provides that equal employment opportunity programs should be required in authorities that employ 40 or more employees. The Public Service Board report proposed that 100 employees be the cut-off point, but it was decided that 40 would bring about a level of consistency between Victorian and Commonwealth authorities and would ensure the coverage of all major Victorian authorities. Some 95 per cent of public authority staff are employed in authorities with more than 40 staff, including the health sector which has a significant number of employees. There are more than 700 statutory authorities in this State. In considering the major authorities, one tends to forget that there are so many Victorian authorities. More than 50 per cent have fewer than 100 staff, and approximately 100 authorities employ between 40 and 100 staff. The smaller authorities employing fewer than 40 staff will be required to report annually on the representation of women, Aborigines and other designated groups in such authorities.

The proposed legislation is designed to enhance the opportunities for women. The previous measure dealing with this subject had a quota provision which was opposed strenuously by the Opposition. I am pleased to report that that provision has been omitted from the Bill.

Another issue identified by the Public Service Board inquiry was that poor equal employment opportunity programs identified in many public authorities are at least in part a reflection of bad and inefficient management practices and poor management of human resources. That matter has been addressed in the Bill. The proposed legislation aims to improve such management practices by requiring regular reporting to maximise the use of human resources.

The Opposition wholeheartedly agrees with the merit principles provided by the Bill. Employment opportunities should be based on merit. The Opposition is trying to ensure that merit is the main criterion and that there are not any downsides or disincentives by virtue of any other so-called disadvantages. We should take that merit principle and apply it across the board. In a number of statutory authorities that will require significant changes.

In the past the old seniority system had been the basis of advancement to higher levels. Australia has an ageing population and it is important that we carefully consider the best use not only of human resources but also of skills provided through the secondary and tertiary education systems so that we can maximise the benefit to the whole community.

I understand the government will move a number of amendments in the Committee stage and the Opposition will also propose some amendments. Some issues will be discussed in more detail at that stage, but I now refer to the main aspects of the Bill.

Part 2, which consists of clauses 5 to 10, is concerned with process. Part 3 deals with the reporting mechanisms and covers clauses 11 to 15. The Opposition has some concern about the definition of "designated group". It also expresses concern about the mechanisms by which these designated groups will be defined, published and gazetted. Our proposed amendents will deal with that aspect.

The definitions will pick up the range of groups covered by the Act when proclaimed. TAFE colleges, hospitals, ambulance services, water boards and so on will be defined. Other groups to be picked up by the Local Government Act or Commonwealth legislation will include the City of Melbourne, local government and Commonwealth departments.

Clause 6, providing for the content of equal employment opportunity programs, covers the same provisions contained in the Local Government Act relating to informing employees of the content of those programs. It also provides that responsibility for the program should rest with a senior member of the authority. The Opposition has no disagreement with that because it believes that for a program to be effective the person in charge needs to be at a level where he or she can have some action taken. It is no good having a program if there is no mechanism for action to be taken on the program. Clause 6 (*c*) refers to the establishment of an equal employment opportunity consultative committee.

The Opposition will have a disagreement with the government in this area because one of the provisions refers to representation of trade unions having members employed by the authority. It does not say that the person is an employee of the authority; it just says, "trade unions having members employed by the authority". The Opposition will move an amendment to ensure that that person is an employee representative. If that person is a member of a trade union, that is fine, but he or she must first of all be an employee. The main criterion should be that the person is an employee.

The clause also refers to consultations with each trade union that is represented in the authority. I have no difficulty with that provision. Consultation with employees is just good personnel practice. The consultative committee will set objectives and other quantitative indicators. The Opposition has no difficulty accepting that provision because normal business practice dictates that the section of the business that operates as a cost centre would have a set of objectives and various indicators by which its success is evaluated.

The Bill provides further monitoring and evaluation provisions. Clause 7 provides for the implementation of the equal employment opportunity program. Clause 8 provides a set of personnel management principles that are based on merit. As I said before, the Opposition regards merit as the most important criterion on which any selection for a job should be judged. The clause refers to qualified individuals. If that means that people have to have a piece of paper stating that they have successfully passed a course or obtained a diploma from a tertiary institution, I would worry about the provision because, in my experience as an employer, often the person who is best able to do the job has come through the ranks from the lower levels within the organisation and does not necessarily have a piece of paper for a Ph.D or an MBA. We hope the government is not attempting to attach too much importance to the term "qualified individuals". It is not defined so we need to be sure that is not the way the government is intending to go.

The Bill refers to fair and equitable treatment in all aspects of personnel management. The Opposition has no disagreement with that. Clause 8 (*d*) provides that equal pay

must be provided for work of equal value. No definition of that provision is given. It was not addressed by the Minister in the second-reading speech. I should be interested to hear whether that is a new direction that is being taken to attempt to address disparities or inabilities to compare different classes of work where a common assessment basis cannot be used.

Clause 8 (*h*) talks about maintaining proper standards of integrity, conduct and concern for the public interest. The Opposition has no disagreement with that provision and would have thought that is a most important element.

Clause 8 (*e*) states that employees must be used efficiently and effectively. The government is currently treating a number of employees in various government departments shabbily by placing them in the redeployment unit and leaving them there without any meaningful tasks. That is not using employees efficiently and effectively.

If the government and authorities are to adhere to the requirements of this piece of legislation we would expect there to be no more redundancy units because they are an inefficient and ineffective use of human resources. It is just one way of putting aside people. There has been much talk about retraining but my information is that at present, particularly in areas like the Ministry of Transport, the redeployment unit does not offer people retraining or meaningful and useful work. It is an ineffective and inefficient use of resources and is totally demoralising for people in that unit.

Clause 9 provides that public authorities may use special tests and qualifications. If that means making allowance for physical disabilities or impairments such as sight, speech or hearing disabilities, we have no difficulty with it. We hope it does not have a much wider meaning and is attempting to lower the standards that might be applied under the merit principle. The Bill provides that exemptions can be given by the Governor in Council, which would apply to smaller authorities, and we would have no difficulty with that.

Clause 11 provides requirements for annual reporting. It is no good having in place a program if there is not some means of evaluating the program across authorities, and the only mechanism for doing that is to have reports prepared by each of the authorities. A number of authorities already include details of their equal opportunity employment programs in their annual reports. It is a pity that even though a number of government departments are already required to do so, they do not give much detail. Two reports have come to the Opposition in the last couple of days. The report from one department gave extensive detail of its equal employment opportunity programs and their success but the other department, the Department of Labour, which one would have thought would want to be at the forefront of equal employment opportunity, does not even mention it. In my view that is a deficiency.

The Bill includes a requirement for a report to be made by the Minister to Parliament. We have no disagreement with that provision. Clause 14 deals with special reports. So long as it does not attempt to blackmail authorities in the direction of government policy on forms of positive discrimination we would have no difficulty with it.

The Opposition will be moving an amendment to include its standard disallowance provision in the regulation-making clause. That is an important element that should be included.

Deakin University has made an assessment of the legislation. It argues that the best utilisation of human resources is achieved by examining management practices. It states:

> I would contend that the provision of equal employment opportunity is not only necessary in terms of the justice of the outcomes of the appointments and promotions systems in place, but represents sound

management practices—something that small authorities with scarce resources surely cannot afford not to employ. The merit principle ought to be sacrosanct, in my view, regardless of the size of the authority.

We could not have said that better and I reiterate that we are not opposing the Bill.

Motion agreed to.

Read second time.

Ordered to be committed later this day.

CONSTITUTION (JURISDICTION OF SUPREME COURT) BILL

Second reading

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That this Bill be now read a second time.

Section 85 of the Constitution Act 1975 confers unlimited jurisdiction in all cases whatsoever on the Supreme Court of Victoria. Section 18 (2) (*b*) of the Constitution Act provides that any Bill which repeals, alters or varies section 85 of the Act must be passed on second and third readings in both Houses of Parliament by an absolute majority of the whole number of members.

Section 85 had no equivalent in the Imperial Constitution Act in force prior to 1975, or in the Constitution Act Amendment Act 1958. No other State Constitution Act contains a similar provision.

Although section 85 has formed part of the law of Victoria for fifteen years, the extensive procedural, legal and political problems created by the relationship between section 85 and section 18 (2) (*b*) were not suspected until the validity of the Retail Tenancies Act 1986 and the Planning and Environment Act 1987 was challenged in 1989. The validity of these two Acts was called in question on the ground that although they contain provisions which limit the jurisdiction of the Supreme Court, they were not passed by the required absolute majorities.

As a result of this litigation, the meaning and effect of sections 18 and 85 were given extensive consideration by Parliamentary Counsel, the Victorian Government Solicitor's Office, and senior counsel briefed to advise both the government and the Opposition. As a result of this consideration, it became apparent that it was impossible to state with any certainty exactly which legislative provisions could not be validly passed by simple majority.

In order to end the unaccceptable uncertainty concerning the validity of a significant amount of legislation passed since the enactment of the Constitution Act 1975, in May 1989 Parliament passed validating legislation in the Constitution (Supreme Court) Act 1989. Shortly afterwards, the government referred to the Legal and Constitutional Committee the question of the need to amend section 85 of the Constitution Act, in order to prevent similar uncertainty concerning the validity of legislation occurring again.

This Bill is based on the Legal and Constitutional Committee's report upon the Constitution Act 1975, tabled in March 1990. Clause 4 of the Bill adds four subsections to section 85.

Proposed subsection (5) states that a provision of an Act shall not be taken to repeal, alter or vary section 85 unless two conditions are met. The first condition is that the Act must expressly refer to section 85, and expressly state that the provision in

question is intended to repeal, alter or vary section 85. The effect of this condition is that legislation will not affect the jurisdiction of the Supreme Court, and thus will not require passage by absolute majority, unless it is completely plain that this is the intended effect of the legislation. Consequently, there will be no risk that legislation will be void as a result of an inadvertent failure to obtain the necessary absolute majorities.

The second condition which must be met before legislation will be taken to repeal, alter or vary section 85 is the making of a statement in each House of the reasons for doing so. The purpose of this provision is to ensure that the attention of Parliament is clearly drawn to the issue of the court's jurisdiction. The Bill follows the committee's recommendation in not requiring such a statement to be made when the provision repealing or amending section 85 is contained in an amendment, since time constraints would render the making of a statement impractical.

Proposed subsection (5) does not apply to legislation which expressly repeals or amends the words of section 85 itself, since there is no possibility that Parliament could pass legislation in that form without full awareness of the nature of the proposed amendment.

Proposed subsection (7) states that a provision of an Act which excludes or limits, or which purports to exclude or limit, judicial review by the Supreme Court or the decisions of another court, tribunal, body or person, shall be taken to repeal, alter or vary section 85. Judicial review is review by the Supreme Court of the lawfulness of decisions of persons and bodies exercising administrative or judicial functions. In the past, the court exercised this jurisdiction through the grant of prerogative writs and the equitable remedies of declaration and injunction.

Judicial review is now available under both order 56 of the Supreme Court Rules and by way of an order to review under the Administrative Law Act. Judicial review is quite distinct from the Supreme Court's statutory jurisdiction to hear appeals on questions of law from the decisions of other courts and tribunals.

Proposed subsection (7) has been included in the Bill because it is not clear whether section 85 as it stands requires legislation which restricts judicial review to be passed by absolute majority. Judicial review is a most important safeguard of the rights of the individual, since it protects the citizen from unlawful action by the executive and inferior courts and tribunals. The proposed subsection ensures that this protection can be removed only after full Parliamentary scrutiny.

Proposed subsection (8) states that a provision of an Act, which creates, or which purports to create, a summary offence shall not be taken, on that account, to repeal, alter or vary section 85. The proposed subsection has been included to resolve any uncertainty that may exist concerning the status of such provisions. Section 51A of the Interpretation of Legislation Act 1984 provides that a prosecution for a summary offence may be heard only in the Magistrates Court. Similar provisions have been included in Victorian legislation throughout the history of the State. They reflect the historical origin of summary offences as offences tried by justices of the peace, without a jury. The higher courts, including the Supreme Court, have never had jurisdiction to determine guilt or innocence in criminal matters without a jury. I do not believe that, in passing the Constitution Act 1975, Parliament intended to change such a fundamental principle of the criminal law. Consequently proposed subsection (8) has been included in the Bill purely for the avoidance of doubt.

Section 18 of the Constitution Act currently provides that a Bill which is passed without the required absolute majorities is void. As a result an important piece of legislation may be declared to be completely void because it contains a relatively

unimportant provision which repeals, alters or varies section 85. Since the invalidity of a major piece of legislation can cause considerable hardship for those members of the community who have acted in reliance on it, clause 5 of the Bill amends section 18 to provide that only the provision of a Bill which repeals, alters, or varies section 85 is void if the Bill is not passed with the necessary absolute majorities.

Since the problems caused by section 85 of the Constitution Act became apparent early in 1989, the government has taken all possible steps to ensure that legislation is passed in accordance with section 18 wherever there is any possible argument that section 85 is altered or varied. However, as a result of the complete lack of certainty concerning the meaning and effect of section 85, it is not possible to be absolutely confident that all legislation passed during the last three sittings of Parliament is beyond challenge on this ground. In order to place the validity of legislation enacted since 1 July 1989 beyond doubt, clause 6 of the Bill extends the validating provision of section 4 of the Constitution (Supreme Court) Act 1989 to cover legislation passed before 1 January 1991.

I commend the Bill to the House.

Debate adjourned for Hon. HADDON STOREY (East Yarra) on motion of Hon. R. I. Knowles.

Pursuant to Order of Council of 5 September 1990, debate adjourned until first sitting day in 1991.

CONSTRUCTION INDUSTRY TRAINING LEVY BILL

Second reading

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That this Bill be now read a second time.

Today there is a widespread recognition of the importance of training to Victoria's economic progress and well-being. Training is a means of achieving greater economic efficiency. Training enables innovations such as award restructuring to proceed and achieves a more flexible and effective work force. Training creates opportunities for workers to expand their job prospects. Retraining provides a vital link between well established skills and the challenge of new technology and new approaches to work.

The building and construction industry is a sector that depends upon the skills of its very many workers. That industry is plagued with the problems of cyclical fluctuations. There are often dramatic shortages of skilled workers at a time when the demand is growing rapidly. Frequently the supply of skilled workers lags behind demand by a number of years. The provision of the additional training that the initiative contained in the Bill proposes will reduce some of these effects. Many workers in the industry are also limited by skill to working within one particular job. With additional training their skills may be applied to a broader range of tasks. The Bill will promote training and retraining in the industry. Increasing the supply of skilled labour will improve productivity and efficiency in the industry.

The Bill is not a government-driven initiative. The Bill is an initiative of the construction industry, which has recognised that the industry must make a greater investment in training. The Bill has been developed as a result of extensive consultations by the industry over a number of years. I understand other States are also considering similar initiatives.

I will turn now to the key aspects of the Bill. The Bill imposes a levy of 0.2 per cent on the value of construction work in the State. The rate of the levy may be changed by

regulation. The construction work that will be subject to the levy is the same as the work covered by the Construction Industry Long Service Leave Act 1983 and includes residential, commercial, engineering and government construction. The government sector, including statutory bodies and local government organisations, will be exempt from the levy where their own employees are used. The onus to pay the levy is placed on the project owner, who, in most cases, will be the holder of a building approval or the principal contractor for the construction work. Where relevant, the levy must be paid before a building permit is issued.

The Bill establishes the Construction Industry Training Board, which has the responsibility of advising government on the training needs in the industry, collecting and enforcing the levy and administering the Construction Industry Training Fund. The board is a body corporate that has fifteen members who are representative of key employer and employee organisations in the industry as well as government. The Construction Industry Training Board will be required to allocate money from the fund in accordance with the construction industry training plan. A construction industry training plan is negotiated and agreed with the State Training Board annually. The plan sets out the priorities for employment-related training to be funded from the Construction Industry Training Fund and provides for the allocation of money from the fund for the provision of training. Through this mechanism the efforts and contributions to training in the industry of both industry and government may be coordinated to ensure maximum effectiveness.

It is intended that the Construction Industry Training Fund will provide resources to create additional training places and to improve the quality of training. This funding will be in addition to the funding provided for training in the industry by the State government. It is expected that up to $14 million could be collected through the levy each year, depending upon the level of building activity in the State. The Commonwealth government supports this initiative and has agreed to exempt the construction industry in Victoria from the provisions of the training guarantee. This means that employers will not be affected by both schemes.

This is a significant piece of legislation. The key to the success of this proposal is the fact that the impetus has come from industry itself. The State can expect an improvement in the quantity and quality of skilled labour in the construction industry as a result of this Bill. The benefits will flow to employers and employees in the industry and, through them, to the rest of the Victorian economy.

This initiative is consistent with the widespread reforms to vocational education and training that have been made since the creation of the State Training Board. It also reflects the greater involvement of industry in training issues—a development the government not only welcomes but has worked to encourage and foster.

I commend the Bill to the House.

Debate adjourned for Hon. HADDON STOREY (East Yarra) on motion of Hon. R. I. Knowles.

Pursuant to Order of Council of 5 September 1990, debate adjourned until first sitting day in 1991.

PATHOLOGY SERVICES ACCREDITATION (FURTHER AMENDMENT) BILL

Second reading

For **Hon. C. J. HOGG** (Minister for Health), Hon. D. R. White (Minister for Industry and Economic Planning)—I move:

That this Bill be now read a second time.

The purpose of the Bill is to make some urgent amendments to the Pathology Services Accreditation Act 1984. The main change is to give the Governor in Council the ability to exclude certain pathology tests from the scope of the principal Act.

The Pathology Services Accreditation Act seeks to enhance the standards of performance of pathology services in Victoria. It requires pathology laboratories operating in Victoria to accredit with the Pathology Services Accreditation Board and to comply with the minimum standards prescribed under the Act. Among other things the Act also makes it an offence to conduct a pathology test except in a pathology service accredited with the board. An exception is made in the case of what is referred to in the Act as "exempted tests". Exempted tests can be carried out on behalf of a patient by or under the supervision of a medical practitioner in the course of his or her practice. A total of twenty tests have been prescribed as exempted tests.

Now that some experience has been gained with the legislation it has become clear that there is a small group of tests that does not need to be regulated under the Act. These are what could be prescribed as straightforward tests that are capable of being carried out by a person without the minimum qualifications specified in the regulations made under the Act or needing the facilities or equipment expected of an accredited pathology service.

With this in mind the Bill will give the Governor in Council, acting on the recommendation of the board, the capacity to exclude any test prescribed as an exempted test from the scope of the Act. Such tests will become known as non-regulated tests and could lawfully be undertaken by any member of the community.

Without anticipating what the board may ultimately recommend to the Executive Council, it is expected that the initial non-regulated tests would be on:

(*a*) macroscopically read analyses performed on urine for the detection of pregnancy;

(*b*) blood glucose using chemical test strips; and

(*c*) screening tests on urine by test strips or simple urinalysis.

In association with this amendment it is proposed to also enable dentists, as well as medical practitioners, to undertake exempted tests. These changes will resolve difficulties that have arisen as a result of the relative inflexibility of the Act, without, I hasten to add, detracting from its fundamental principles.

It remains for me only to mention that the opportunity of the Bill is being taken to effect some housekeeping amendments that have been requested by the board. These are explained in the notes printed with the Bill.

I commend the Bill to the House.

Debate adjourned on motion of Hon. M. T. TEHAN (Central Highlands).

Pursuant to Order of Council of 5 September 1990, debate adjourned until first sitting day of 1991.

ADJOURNMENT OF BILLS

Hon. R. I. KNOWLES (Ballarat)—I move:

That so much of the Order of the Council of 5 September 1990, as amended on 14 November 1990, providing for the adjournment of debate until 1991 on Bills introduced or received after 22 November 1990 be suspended as would prevent the Corporations (Victoria) Bill being taken through all stages during the present sittings.

Motion agreed to.

TRANSPORT (ANTI-GRAFFITI) BILL

Second reading

Debate resumed from 27 November; motion of Hon. B. T. BULLEN (Minister for Education).

Hon. W. R. BAXTER (North Eastern)—This Bill purports to deal with one of the social problems of our time—that is, this epidemic of graffiti which has struck the City of Melbourne in particular and, fortunately to a much lesser degree, country Victoria over the past three or four years. In fact I believe it has been given a title beyond what it deserves by being called graffiti: it is nothing more than vandalism, full stop.

It is a tragedy that the government has taken so long to get around to addressing this problem. The Minister has been reported in the press for more than a year now as saying what he would do to overcome the graffiti problem, and yet, in the last week of this sessional period of Parliament, a Bill is rolled in which purports to deal with the problem but which I believe is highly deficient.

Hon. R. J. Long—It is long on talk but short on action.

Hon. W. R. BAXTER—That's right. It is very disappointing that the Minister has made so many public statements. For example, he said there would be 400 Transit Police by now who would be patrolling the system not only to apprehend the perpetrators of vandalism by graffiti but also to make public transport much safer for passengers. Yet only about 250 Transit Police have been appointed. We have had only some 200 or 300 people even apprehended for vandalising railway carriages and similar facilities so far, and only about 40 or 50 of those have reached the courts. Therefore very little has been done indeed.

I believe the problem is being approached the wrong way in the legislation. It is time we gave consideration to what has gone wrong in society when we have apparently some hundreds, if not thousands, of young people who think it is their right to go around the place daubing slogans—and in most cases they are not even slogans, just incomprehensible daubings or scribble—on public property. It indicates to me a breakdown of discipline in the home and particularly in the schools. There are many examples of breakdown of discipline in our schools, and one of the symptoms is that young people now seem to believe it is okay to damage public property and to leave their trade marks, symbols or whatever on public property.

One might ask: where are they getting the money from to buy these expensive paints? Are they getting too much pocket money, or are they stealing the paint from stores? I believe it is a combination of both. Where are those people in the community who so keen on conservation and the environment? They are spending too much of their time in the East Gippsland forests when they might be better off inculcating within the urban population the desirability of maintaining a pleasant environment in this city.

Graffiti is decidely unpleasant to look at. There are some well engineered projects in this State such as railway overpasses, footbridges, sheer concrete walls and the like which are not unattractive in their raw and unblemished state, but once daubed with this meaningless scribble they become nothing but an eyesore. There is a place for the environmentalists in our city to do a little more work on convincing the residents of this city that there can be beauty in unmarked public property, but that there is no beauty once it is scribbled upon.

I was really concerned—and I mentioned the concern at the time—that even the authorities encouraged the graffiti. One of the most appalling decisions ever made by the Melbourne City Council was to install a so-called graffiti wall in the Melbourne

City Square. That square has been one of the greatest disasters of Labor government in this State.

Hon. M. A. Birrell—It still is.

Hon. W. R. BAXTER—Yes, it still is. The council has wasted millions of dollars on the square and now it is to be totally dismantled and replaced, hopefully with something better. Yet a graffiti wall was installed which suggested to young people that there was official approval to daub graffiti upon public property. Of course it was not restricted to the so-called graffiti wall but very soon covered the adjacent walls and buildings as well, and from there it has moved on to railway carriages, fences and the like.

But graffiti is not found only in that example of the City Square. Each time I go to the airport and travel down Park Street, Parkville, I am appalled when driving past the Turana Youth Training Centre to see a whole wall of that building covered in paintings of one sort or another, presumably done by the residents of Turana, which seems to me to be giving an official imprimatur to young people, particularly those in institutions, to paint over public property.

Hon. P. R. Hall—They seem to condone it.

Hon. W. R. BAXTER—Yes, they seem to condone it. What chance do those people have, having already run foul of the law in one respect or another, of going about their normal everyday lives upon release from the institution having been told that it is all right to write on public property? The issue of graffiti should have been tackled right from the outset, before it became endemic, before it became fashionable, and before it became an accepted action of young people and an exhibition of their independence, bravado or whatever it is.

There are plenty of examples that the government could have learned from. New York is probably a classic example. When I was in New York in 1983 the subway was absolutely plastered with unpleasantness. I understand it has now been cleaned up completely because the transport authorities there made the decision to remove the graffiti on the same day that it was painted on, and it has had the desired effect. The painters of graffiti have lost interest in doing it. If it is removed almost immediately, their handiwork is not available to be shown off to others and they do not get any ego tripping out of it.

Closer to home, the government could have considered the example of Sydney. There is very little graffiti on railway property in Sydney and virtually none on the rolling stock. There is some on the adjacent buildings, but very little indeed because the problem has been tackled.

What has been the result of this graffiti outbreak in Melbourne? It has been a very costly exercise, and not only in terms of the direct costs of cleaning it up, which are estimated at $18 million. I suggest that is a very conservative estimate and does not take into account many of the costs incurred. It certainly would not take into account the indirect costs such as the time for which the rolling stock is out of service and the lessening of the life span of the rolling stock because of the use of harsh detergents and the like. Certainly those costs are not being taken into account.

I suggest the true cost is many millions of dollars more and there is the further cost of the decline in patronage because, understandably, people are less likely to use the public transport system if it is unclean. Putting aside for a moment the concern that the travelling public has about the public transport system being unsafe and

unreliable—they are two important factors but they are not involved in this debate—certainly the perception that rolling stock is unclean because of graffiti has caused a tremendous drop in patronage.

Recently I travelled on the Met to the Auburn railway station in a carriage that was absolutely besmirched with daubings and scribble, and worse still, when I got off at the Auburn railway station I found it completely painted from top to bottom in incomprehensible daubings. The subway there was likewise "decorated", which gave the place an unpleasant, dirty and in fact threatening feeling.

I can understand why many passengers, particularly females, would be reluctant to use that place even in daylight hours. If the Met and the government had moved earlier to conduct a graffiti clean-up program the patronage on public transport may have been retained. It is human nature to maintain things that appear to have been looked after and well cared for. If something is dirty and run down there is a subconscious feeling among many of us that we do not need to care for it and can treat it harshly, so that the downward spiral gathers speed and more damage is done.

I am critical of the government for being so slow in tackling the problem. It has done little to improve security in the stabling yards. The Jolimont stabling yards must have railway personnel present 24 hours a day. That area is in full view of people passing by, yet even there rolling stock, stanchions, buildings and other facilities are scribbled upon night after night. One would think that, with the increase in the presence of the Transit Police, the use of video cameras and some commonsense, at least well-trafficked areas such as Jolimont would be safe from this outbreak of graffiti painting. The morale of the work force in the Met has sunk extremely low for a range of reasons well known to honourable members and they have no desire to care for the properties where they work. They must be turning a blind eye to the damage. I do not blame them because they have not received sufficient support from the government.

The Bill is a puny attempt to come to grips with the issue. It creates an offence of marking graffiti, which means there will be a separate offence that the Police Force can use to charge people. The penalties in the Crimes Act are too severe to be used and other Acts are unsuitable because they apply a maximum fine of $500 and many of these graffiti activities result in damage of far more than $500.

I object to the fact that the courts will not be able to send young persons—the Bill refers to young people aged between thirteen and seventeen years—on the graffiti clean-up program unless they give their consent. That provision is difficult to understand. It takes away the magistrate's discretion to determine whether the person appearing before the court is a suitable candidate to be on the graffiti clean-up program. In many cases the consent of the offender will not be given, either out of bravado or simply because he receives poor advice from his parents or from the person who may appear for him.

I do not suggest for one moment that children who commit graffiti offences come from a particular socioeconomic group, but many of them are from families that provide little parental support. If parents are not urging the child to give consent, but because of their background and attitudes to the police and authority urge the child not to give consent, consent will not be forthcoming, and very few offenders will go on these graffiti clean-up programs. I foreshadow that I will move an amendment to remove the consent provision and give discretion to the magistrate.

I am also concerned that the clean-up program will be administered by Community Services Victoria when that department, from all the evidence available, is unable to administer itself properly. The Bill gives no indication that additional resources will be allocated to Community Services Victoria to enable it to undertake this work.

Furthermore, the program will be expensive to operate because it will run on Saturdays and Sundays as schoolchildren attend school on weekdays. Penalty rates will have to be paid to supervisors and those running the program. It is extraordinary that there has been little consultation between the Ministry of Transport and Community Services Victoria on how and where the programs will operate. The Minister for Transport is attempting to pass the buck to Community Services Victoria without discussing with it whether the program is practicable.

The program should be widened so that magistrates can send offenders to do a range of community work rather than just to clean up graffiti from railway property. It will not be practical to have children and teenagers on ladders painting railway stations; they do not have the expertise. It is all very well saying they have experience in these things; they have experience in scribbling, but not doing proper work. There is the safety problem and a WorkCare problem in having children working on ladders, yet there is useful work in the community which could be done by children of this age, which would be instructive for them, easier to put in place and cheaper to operate. However, the Bill specifically debars any clean-up program except for that done on the property of the Public Transport Corporation.

Another problem that should be addressed is that much of the graffiti is scrawled on property that is not publicly owned but is adjacent to railway reserves; it is on backyard fences, factory walls and so on, which can be seen from trains. The people who perpetrate graffiti want their handiwork seen by the passing public and a lot of graffiti work is done on private property which can be seen by people travelling on public transport. My colleague the honourable member for Mornington and I have asked that the Bill be amended to expand the parameters of the offence to take into account private property adjacent to railway reserves, and I understand the Minister will move an amendment to that provision.

I am sceptical about the success of the legislation. It has not been properly thought through. It has been suggested in a briefing that fewer than 30 people a year will be sent on graffiti clean-up programs. That is a drop in the ocean. There must be hundreds of kids who night after night, weekend after weekend, daub their scrawl on public property, but the program will deal with only 30 of them a year. The Bill will not scratch the surface; a much bolder initiative is required. Nevertheless the Opposition does not want to stand in the way of the government's attempt to deal with the matter. We are cynical about its likely success rate, but we will give it a go. However, we reserve the right to heap strident criticism upon the head of the government if our worst fears come to pass and the Bill turns out to be nothing more than window-dressing.

I shall refer to a couple of other matters that were scarcely mentioned in the Minister's second-reading speech. Clause 4 proposes to increase the penalty for offences under the Transport Act from eight penalty units to twenty penalty units. In anyone's language that is a substantial increase—$800 to $2000. Some of the offences that are liable for penalty in section 56 of the Transport Act range from picking grass seeds on railway reservations to the more serious offences.

The Opposition is concerned about clause 4 and it asks the Minister to categorise those offences to give the House some indication of the range of penalties that are envisaged by the government. If the Minister does not do so the Opposition will oppose clause 4.

Clause 5 deals with speed limit penalties for temporary roadworks areas. Again that was not mentioned in the second-reading speech. It has nothing to do with graffiti, but it happens to be thrown into the Bill because it was a convenient vehicle. The clause proposes to increase the penalty from two penalty units to five penalty units for

exceeding the speed limit in a roadworks area. I should have thought if that were justified the House would have been presented with evidence that the current penalty was too low because a range of people who were appearing before the courts were being fined two penalty units and so that was not a sufficient penalty, but no such evidence has been produced.

The on-the-spot penalty for exceeding the speed limit in such circumstances is $85 and if one goes to court it is $200, which is already two and a half times the amount, but there is a suggestion in the Bill that it ought to be $500. However no evidence has been presented to back that up. The Opposition intends to oppose clause 5 if evidence cannot be adduced which convinces it that the current penalty is insufficient.

The Opposition will not oppose the Bill but it believes it does not go far enough. It is critical of the government for allowing graffiti to get out of hand in the city.

Hon. C. F. VAN BUREN (Eumemmerring)—I support the Bill and I congratulate the Minister on its introduction. The Bill will combat the difficult problem of graffiti on public transport. This blight on society must be removed and so members of Parliament have a big responsibility. As Mr Baxter said, we should try to get our young people to be proud of our public transport system and its buildings instead of defacing them.

The Bill provides a starting point to make young people realise that the public transport system belongs to all of us. In the electorate of Dandenong, which takes up part of my province, earlier this year there was an excellent program undertaken by the people of that city to encourage those young people who considered themselves artists to do their work on canvasses or boards so that their energies were harnessed. They made their contributions at the local fire station art gallery. It was a great success.

If we can get these people to focus on that sort of outlet instead of defacing property the Bill would be successful. I visited a local youth centre and spoke to some of the young people. They had painted some wonderful murals on their walls. That is an action that we must encourage. It would be better for these young people to focus their energies on doing that instead of defacing property. I support young people who are working on these programs instead of going out and smashing up trains. That is the sort of thing that has happened in Dandenong and as a result the problem has been gradually reduced.

The cost of dealing with the graffiti problem is approximately $17 million, which could be better spent on new trains and other facilities for the public transport system. The government has begun doing something about the problem with its program of cleaning trains, repainting stations and so forth. Mr Baxter spoke about the work he saw being done in New York where they clean off graffiti as soon as they are aware of it. The Minister has been encouraging the community to take responsibility for their respective stations to discourage the graffiti artists. The Minister is setting an example for the community and many are now cleaning up their stations. The government has spent money on fencing and lighting in the stabling yards at Jolimont and in Dandenong. The government has provided video cameras in the yards and it has also undertaken an education program. The community must be prepared not to tolerate this problem. The program for young people in Dandenong should be used in other areas so that we can get better cooperation from young people.

There are also the hidden costs. Mr Baxter spoke about people having to travel on vandalised trains. That puts off most people; they do not want to use those trains because they are so dirty. Some cars have been wrecked with train seats being ripped and other damage. Trains have to be taken off for cleaning and that leads to the problem of train cancellations.

One matter of concern is the chemicals that must be used to clean up the damage to rolling stock. There is a further problem for those who are using those chemicals because they may damage their health. The offenders should be punished by doing their own clean-up work. Most of the people who commit the offences are approximately seventeen years of age. Unfortunately some parents do not know where their kids are.

I am sure the community services program will run well, because it will also enable the parents of the children to be involved. You could argue that the parents should be responsible for cleaning up the graffiti drawn by their children. But the legislation provides that the children will have to do the dirty work now done by railway workers who have to handle chemicals to clean up the mess. Under the Bill it will be an offence to possess a graffiti implement with the intention of using it to unlawfully mark graffiti on Public Transport Corporation property—although the onus will still be on the prosecution to prove intent.

The Bill is a good starting point. It will make the people of Victoria aware of action the government is taking to combat the problem. I support the Bill because I am sure it will lead to a decrease of graffiti on our trains, trams and buses. For that reason I commend the Bill to the House.

Hon. G. B. ASHMAN (Boronia)—The Bill is little more than a public relations exercise and will not solve the problems caused by the marking of graffiti on Public Transport Corporation property. Nevertheless the opposition parties will support the Bill because it is a step in the right direction. This legislation was promised by the then Minister for Transport, Jim Kennan, twelve months ago. Although it has taken twelve months to be introduced it is a weak and inappropriate Bill.

I wonder why the scope of the Bill is limited to PTC property instead of applying to the broader problems caused by graffiti on private and public property. Since the Bill was introduced in the other place I have taken special note of where graffiti is painted and drawn around the suburbs and have observed that only approximately 50 per cent of the graffiti has been marked or drawn on PTC property; the other 50 per cent has been drawn on private property, such as factory walls and fences. The Bill does not deal with the substantial costs incurred by private property owners in removing graffiti. Honourable members will have noted that white front fences are favourite targets for graffitists; and if the fences are 6 feet high they provide an even better canvas for so-called graffiti artists, although we should not refer to them as artists, because they are nothing but vandals.

The government has promised 400 Transit Police officers for our trains, but as I understand it only 243 Transit Police patrol our trains at present. Experience interstate and overseas clearly shows that graffitists are deterred by a security presence on trains. Certainly an increase in the number of Transit Police would alleviate some of the problem.

The New York Transit Authority first faced problems with graffiti and vandalism in the late 1970s. The problems began with the breaking of windows and the slashing of seats, problems we have experienced in Victoria, and then those responsible progressed to drawing and painting graffiti. The New York Transit Authority has overcome the problem: its subways and stations are almost free of graffitti because it decided that any train on which graffiti appeared would be immediately removed from service and that graffiti would be cleaned as quickly as possible from stations and the subway. Such action denied graffitists the self-esteem they craved—and it is fair to say that graffitists in Melbourne are also motivated by the self-esteem the drawing and painting of graffiti gives them. I have been told by Transit Police officers that there are some

1600 graffitists operating in the metropolitan area; each graffitist can be identified by a tag or signature.

The enforcement of the penalties provided in the Bill will be a major task. Only 100 or so prosecutions for the marking of graffiti have been made in the past twelve months, which shows that Transit Police and other authorities have not been able to identify and therefore prosecute graffitists in large enough numbers to control the problem. Apparently it takes three nights to paint a major graffiti mural: on the first night the base is sprayed on; on the second night the outlines are made; and on the third night the work is completed. Murals are major works when compared with the initialling of train carriages, stations, subways and railway bridges. The painting of graffiti murals is not a quick exercise with spray cans, because many hours are required each night for three nights to finish the work. Given the time needed to complete the work one must question the level of security on our trains, at our stations and in our marshalling yards.

Mr Van Buren claimed security in those areas has been increased. Although the areas may now be floodlit, it seems few people are patrolling them. If those areas were patrolled, over time the graffitists would be identified, apprehended and brought before the courts. The cost of cleaning the Met system of graffiti has been estimated to be a minimum of $18 million per annum with an additional indirect cost of more than $100 million because of the stock that is out of service being cleaned. Although it is difficult to arrive at the full cost, it is certainly significant.

Graffiti on the Heathmont railway station is so extensive that the station identification signs cannot be recognised. A similar situation occurs as one moves up the line between Boronia and Ferntree Gully and through to Belgrave: all the stations have graffiti, even the stanchions along the railway line.

The legislation suggests that for damage costing up to $5000 this legislation will apply and damage in excess of $5000 will be covered by the Crimes Act. One of the penalties suggested in the legislation is to have graffiti artists clean up graffiti. As Mr Baxter has indicated, when the Opposition held discussions with people from the department it was put to us that no more than 30 participants a year would go through the clean-up program. That is the tip of the iceberg considering the magnitude of our problem. There are 1600 graffiti artists operating in Melbourne and at the rate of 30 a year we will all be long dead before the problem is resolved. Resolution of the problem will need a far greater allocation of resources.

The other clauses that cause concern—they were mentioned by Mr Baxter—are clauses 4 and 5. Clause 4 increases penalties for breaches of regulations under the Act from eight to twenty penalty units. During discussions with advisers from the department we were given no justification for the increase in penalties; they were not able to supply us with a sound rational argument to support the increases and they provided no supporting evidence.

Clause 5 concerns the increase from two to five penalty units for speeding through Roads Corporation construction zones. When the departmental officers were questioned as to the number of offences that had been detected in the zones no information was forthcoming and no evidence was provided. There was no evidence of the number of speed cameras that had been operated within the construction zones. With the success of speed cameras in slowing traffic one would have thought if there were a major problem in construction zones speed cameras could have been used. There was also no evidence to suggest that Roads Corporation officers had been patrolling the zones. The message we got from the officers was that both clauses 4 and 5 had been added to the Bill because it was a convenient way of bringing them in.

The Opposition seriously questions why these clauses were added to a Bill titled the Transport (Anti-Graffiti) Bill and why there was so little emphasis on the changing of penalties in the Minister's second-reading speech. It was certainly not flagged as a major change. I suggest that when one more than doubles penalties it is a significant change to the Transport Act and gives the Minister a great deal of power by way of regulation.

The Opposition will not oppose the Bill but will oppose clauses 4 and 5. While the Opposition does not believe the legislation will address and resolve the graffiti problem, it is nevertheless a humble start.

Hon. G. P. CONNARD (Higinbotham)—Although the Opposition supports the passing of the Bill, it is a mickey mouse situation. Graffiti has been growing in volume for some years now and the community has been crying out for five to eight years for legislation to address the problem. It is a mickey mouse Bill designed to give the electors in the new electorate of Mordialloc the idea that the Minister for Transport has some real guts; the reality is that he has achieved very little in the production of this Bill.

From a local point of view graffiti can be divided into two sections: that affecting either fixed property or mobile property. Fixed property in the context of this Bill consists of railway stations, fences and the railway environment. I should be delighted if any of the Ministers in this House viewed the Ripponlea railway station which, until recently, was situated in the electorate of St Kilda, immediately adjoining my electorate—it is an absolute disgrace! Over the years I have written several times to the local member, the Minister for Planning and Urban Growth, drawing his attention to the absolutely disgraceful railway station. It is literally falling down because of graffiti on top of graffiti on the station itself. The buildings are now closed and wired up with barbed wire so no-one can use them. The station officers in pursuit of their duties occupy tiny little sheds because of the unsafe conditions of the buildings. The station toilets cannot be used. It is probably the worst railway station I have seen in the metropolitan area.

I could lead the House into a litany of railway stations in my electorate, one of the worst of which is Patterson. Over the years the government has spent a considerable amount of money cleaning up the graffiti at Patterson station but it still remains a concern. I believe part of the problem results from undermanning of railway stations. While I understand the economic dilemma of the government in manning railway stations, this issue has been discussed in relation to several Bills over the years and I have always maintained that manned railway stations would be cost-neutral because of the revenue they would earn. The stations in my electorate are unmanned or partly manned for a small number of hours during the day. As a consequence young and old people alike are at liberty to damage railway property, particularly with graffiti.

I was intrigued to hear Mr Van Buren's remarks that he looks upon graffiti as an art form. While I have seen articles claiming that graffiti is an art form, what a nonsense that notion is—graffiti is purely and simply vandalism.

Hon. W. A. Landeryou—That's what they said about Michelangelo.

Hon. G. P. CONNARD—On the contrary, Mr Landeryou, as a classicist you should know better—Michelangelo was employed by popes of the day. These people are not employed except to create damage. As I was saying, there is no art form in graffiti per se—it is purely and simply vandalism! Yet we find two primary schools in my electorate have graffiti walls because—the Minister for Education might take note of this—there is no ability these days to use appropriate disciplinary methods. It seemed appropriate for these primary schools to give the children graffiti walls to teach them how to spray

and make graffiti rather than have them spray the ordinary environs of the school, when all the kids needed was an appropriate disciplinary process to stop it being done at all.

As I said, two primary schools in my province have graffiti walls where kids are actually being taught to draw graffiti. One of my colleagues made a comment about the graffiti wall in the City Square. Again, this is nonsense; it creates a climate to encourage graffitists to develop this peculiar form of "art". Mr Ashman commented that the financial cost of this offence is some $70 million a year. This figure varies, and I have endeavoured to obtain the real figures from the Local Government Department and the Minister for Transport. This is different from what was suggested: a cost in the vicinity of $80 million to $100 million was mentioned as the cost of removing graffiti from wherever it is placed. This is an enormous cost to the community.

Within the transport system today there are dirty trains, trains that are covered with graffiti, disfigured and are not safe. Those of us who travel by train can see at the railway stations nervous women, children and men getting into carriages whose exteriors are covered by graffiti. The impression that most people have is that those railway carriages are less safe than those that are clean, tidy and in pristine condition. That perception could be true simply because people hesitate to enter those carriages; so the people who do enter them could be the people who damage, disfigure and vandalise trains. It is a crazy situation that although this has been going on for some years this is the first measure the government has brought in to deal with the problem.

Proposed section 223A (1) states:

> "Graffiti clean-up program" means a program . . .
>
> (*b*) which is approved as a graffiti clean-up program by the Director-General of Community Services.

This is repeated in proposed section 223A (3), which states:

> The Director-General of Community Services may by notice in writing to the Chief Executive of the Public Transport Corporation approve a graffiti clean-up program for the purposes of section 223E.

Why does the Director-General of Community Services come into this at all? Surely the Public Transport Corporation can develop its own graffiti clean-up program. One can imagine the letters going to and fro between the Director-General of Community Services and the appropriate officer in the Public Transport Corporation. My mind boggles with the bureaucratic negotiation that will be going on. There is no need for that at all. The Public Transport Corporation should have the ability to approve its own graffiti clean-up program. If the Bill is passed as drafted I would make a reasonably good wager that it will be a couple of years before a competent graffiti clean-up program is developed because letters will be going to and fro between the two departments.

The Bill is again divided into two parts. One part deals with the graffiti clean-up programs that are directed at children. Only one proposed section—that is proposed section 223B with the heading "Penalty for graffiti or possession of graffiti implements"—applies to adults. The penalty under that section is $2500 or imprisonment for six months. As a previous speaker has indicated, these types of people are not likely to have the money to pay the fines. There should be appropriate clean-up programs for adults, but there are not any.

In my view, under this section the magistrate should have discretion in ordering attendance at a clean-up program, a fine or imprisonment. There is no discretion for the magistrate to say when sentencing a person, "You should go and clean it up. We will have a look at it in two months time and if you have not cleaned it up you will go to gaol or be heavily fined." These are people who could be directed to undertake a competent and proper clean-up program so the graffiti is cleaned up in a competent

way. The evidence is that the people who do these things are people in their late teens, so they could well be over the age contained in the definition of "child" under the Children's Court Act and they should be involved in clean-up programs.

Further, proposed section 223E, "Graffiti clean-up programs", applies to children. Proposed sub-section (3) provides:

> (3) Before requiring an undertaking or imposing a special condition under sub-section (1) or (2), the court must be satisfied—
>
> (*a*) that the child consents to the requirement or special condition; and
>
> (*b*) that a place exists for the child in the relevant graffiti clean-up program.

Here the Children's Court is dealing with a child who has been charged and the magistrate has to satisfy himself that there is a place in a graffiti clean-up program. Who is going to write to the Director-General of Community Services and ask him if there is a place in the program? Then somebody will have to write back. As I indicated a few moments ago, months would go by before the child could be "sentenced".

The first part of the clause provides that the child has to consent to the requirement or special condition. This is intended to be a punishment, even though it is directed to a child. In the case of a homicide or some other serious breach of the law I wonder whether the accused would be asked whether he consented to any of the sentencing requirements. It is nonsense that the magistrate should be required to say to the child, "Do you consent to participate in a clean-up program?" It is meant to be punishment plus restitution. Again, the result will probably be to circumvent the intent of the Bill.

Both my colleagues Mr Baxter and Mr Ashman have commented upon clauses 4 and 5 of the Bill. Mr Ashman said that there is no rational reason why the penalty imposed by clauses 4 (1) and 5 should be so substantial. He referred to the speed limit penalty. I ask in a general sense why those two clauses are in this Bill. Ordinary people and solicitors will have difficulty in finding the law when it is dealt with in this Bill. They bear no relationship to the Bill itself; they are not germane to it; they are put in the Bill without any real reason. My colleague Mr Long, who is a lawyer, pointed out the inappropriateness of including the two clauses in the Bill and asked how they could be defined by law. Mr Baxter has indicated something will be done about the difficulties.

I make this brief contribution to the debate because graffiti has cost Victorians large sums of money. I had hoped the Public Transport Corporation would produce a Bill that would have had positive results. I had hoped the Bill would help to clean up our trains and railway stations and give the lead to other areas of government—for example, to local government—so that something of value could be done and the mess made of our public buildings could be reduced. However, nothing in the Bill encourages any other department or organisation to initiate similar legislation. I am bitterly disappointed the government has not addressed the problem seriously.

Hon. P. R. HALL (Gippsland)—I comment briefly on the Transport (Anti-Graffiti) Bill because there is no doubt graffiti is a serious problem in our society, evidenced by the need to spend some $17 million a year just to clean up the graffiti in this State. As my colleague Mr Baxter said, graffiti is more appropriately described as vandalism. I wholeheartedly agree with Mr Baxter that graffiti provides a prime example of unacceptable and antisocial behaviour.

I was interested to hear Mr Van Buren's comments. He lauded the government's initiatives in establishing what I would describe as display walls for graffiti artists, if they could be so described. Mr Van Buren said a wall had been set aside in Dandenong for people who liked to practise graffiti to do so legally. Mr Baxter described similar walls at Turana Remand Centre and in the City Square and Mr Connard said walls

had been designated in primary schools in his electorate allowing for the legalisation of the practice of graffiti.

Mr Van Buren thought the idea of a graffiti wall was worth while. My contention is that the walls will encourage people to paint graffiti and will lead to its increase in Victoria. If someone is seeking to promote something, display areas are set up as the basic form of promotion. Mr Van Buren's suggested mechanism will encourage and promote graffiti and will lead inevitably to an increase in graffiti. I suggest all honourable members want to avoid allowing such a situation to arise. Mr Van Buren's comments are misdirected; the acceptance of any form of graffiti as a legitimate pastime is totally misdirected.

I refer to some of the graffiti I see. When Parliament is sitting I travel daily on the Met. I cannot recall one occasion on which I have sat in a carriage not defaced by graffiti; every carriage I have sat in has had graffiti painted on the windows, walls and ceilings. Honourable members will be aware as they drive past railway stations and under bridges that the amount of graffiti in Victoria is something about which all Victorians should be ashamed.

In contrast, I travel also on V/Line services into country areas of Victoria. One sees completely the opposite on country trains. I have never travelled in a V/Line carriage that has had any evidence of graffiti on it. Perhaps one of the main reasons for that is the presence of conductors who regularly walk up and down the train performing a policing role. As a result, less likelihood exists of examples of graffiti being displayed on V/Line carriages. Perhaps it is an indication also that people who live in and travel to the country are better behaved than some who live in city areas.

As Mr Baxter said also, the government has done little to prevent the spread of graffiti in this State and I support Mr Baxter's comments. The proposed legislation can only be described as flimsy. It is supposedly designed to stop the spread of graffiti but it is far from being an adequate mechanism to do so.

I was amazed when the Bill was first directed to my attention and I read that magistrates must ask children if they want to take part in a graffiti clean-up program. I was amazed that a magistrate will have no control, that he or she cannot set a sentence and indicate that is the punishment for the misdeed. The Bill provides that a magistrate must ask the child who has offended whether he or she will accept the punishment, which is an absolute nonsense! I am pleased to note the Opposition will move amendments to the Bill to remove the requirement to obtain the consent of a child to participate in a clean-up program. I strongly support such an amendment because it is, as I said, ridiculous to have to ask a child whether he or she is prepared to accept the form of punishment decided on by the magistrate. The idea is an absolute nonsense.

I referred to the legislation as being flimsy and weak. I did so because it will not be effective in its present form. The government could have used other available avenues as much stronger means of stopping graffiti. I suggest the government should consider preventing the sale of paint in spray cans that currently are commercially available from most retail stores. Certainly legitimate uses can be found for paint in spray cans but I suggest Victorians could live without them. People who spray paint on a regular basis can invest in electrical apparatus. The expense would not be too high for a person who sprays paint regularly in reasonably high volumes. I suggest that much of the hardship suffered by the public would be eliminated if the government banned spray packs of paint. In my estimation the incidence of graffiti would be reduced by at least half. A positive and strong step would be taken towards reducing the incidence of graffiti and no expense would be involved in implementing the attempted solution to the problem. The current annual graffiti clean-up bill of some $17 million would be reduced.

I shall not vote against the Bill because, as I said, graffiti is a problem and everything possible should be done to eliminate its spread. However, as I said also I am not confident the proposed legislation will be at all effective in eliminating the problem. The amendments that will be moved by the Opposition may stiffen up the provisions of the Bill but in attempting to stop the spread of graffiti the government should be encouraged to introduce stronger mechanisms than it has by the provisions of the Bill.

Hon. R. A. MACKENZIE (Geelong)—I comment briefly on the Transport (Anti-Graffiti) Bill that I regard as a timid step by the government towards solving a major problem. While the Bill is welcome and supported by honourable members on both sides of the House, I emphasise that the government could have done a lot more about graffiti than it has done by the proposed legislation.

Graffiti has been around for a very long time; it dates back to ancient times, to the slaves scratching graffiti on the walls of the catacombs and even to Egyptian times when there was graffiti of some form or another. Everyone has seen the graffiti that appeared on the walls around Australian railway stations, with slogans like "Out Menzies" and "Pig Iron Bob" and those sorts of things that appeared many years ago.

Hon. B. A. Chamberlain—Did they ever catch you for doing that?

Hon. R. A. MACKENZIE—No. I can understand the political protests when messages are trying to be delivered to governments. I do not condone that but at least there is some understanding about a political protest being made in that way.

However, I cannot come to terms with the graffiti that the community is now having to suffer. What makes it even more repulsive is that it is condoned by many people, including some authorities. We even have visiting graffiti artists who were encouraged to publish their graffiti work. They are not artists—they are vandals and are destroying public property! That encouragement of graffiti as an art form is absolutely ridiculous. What gets up my nose is that $17 million is spent to clean up the graffiti at a time when the government has to cut back on so many essential services. Many people can ill afford to bear the brunt of the government's policies and are made to suffer, yet $17 million is spent to clean up what is really vandalism.

Although the government is coming to grips with the problem more must be undertaken by the government; there must be more than what is in the Bill, with the implementation of more severe penalties and the installation of video cameras.

Other countries have had similar problems but have overcome them. Recently I read that a similar problem existed in Holland. Not only was graffiti a problem but also vandalism was rampant—seats being slashed and other public property destroyed. The government there had taken conductors off the public transport system, and had introduced unmanned railway stations; ticket vending machines had been installed and the number of people employed in the public transport system had been reduced.

Then the government in Holland introduced an ingenious scheme whereby it trained previously unemployed people to act as inspectors; within about twelve months the approximately 1500 young people led to a decrease in the amount of graffiti. I do not recall the actual percentage reduction but I know that the incidence of fare evasions decreased by about 80 per cent. The money saved by the transport authorities in cleaning graffiti and repairing destroyed property almost paid the wages of the young people whom they employed as inspectors. Public transport was again patrolled, thereby leading to an increase in patronage. More people travelled and paid fares. There was less fare evasion.

The Victorian government should be looking at such measures. There are ways of overcoming the problem instead of mickey mouse legislation like this Bill. I am

pleased that the Bill introduces ways of educating young people. I have not seen the form of the proposed education but I hope it will have the effective message that graffiti is a form of vandalism. Graffiti should not be tolerated by the community because no-one has the right to deface public property. I hope the education programs initiated by the Bill will be along those lines.

I have noticed a number of shelter-sheds in schoolyards in my electorate that have actually been allocated to students to practise their graffiti. They do not bear the murals that many people see on school walls but it is said to be legitimate graffiti. A local council even allowed an old railway bridge in Geelong to be covered by official graffiti by the so-called artists. That should not be encouraged.

Every generation rebels against the previous generation. My generation rebelled against my parents' generation. That is the natural course of events. It is the form of the rebellion that is of concern. It is naturally healthy that we should break away from the previous generation and develop our own independence; we did it through our music and our communications at the time. We did it in the way we dressed and in a number of ways we demonstrated our individuality as a generation. There is no need to deface and to vandalise public property to show that you are part of a new generation. Such action should not be tolerated.

While I support the Bill I say it is a timid step forward, and it does not go far enough. I take up Mr Hall's point about the availability of spray paint cans. He is correct. From my experience, the number of times I have used a spray paint can would be minimal—perhaps only two or three occasions when I have painted some intricate work and there is no doubt that with more trouble and patience I could have done the same work with a small brush. Anyone who does fine paint work in a commercial sense or as a hobby can obtain rather inexpensive spray painting equipment rather than having to buy spray cans. The Minister for Consumer Affairs is in the House; perhaps he may look at the possibility of having spray cans removed from retail stores.

The costs associated with the provisions of the Bill are confined to the public transport area but graffiti and vandalism are not confined by any means only to the transport system. Perhaps it is most prevalent there but other large areas are adorned with graffiti. The only person I knew who had acceptable graffiti was the man in Sydney who wrote "Eternity" in chalk on all the footpaths!

Hon. Robert Lawson—It was washed out by the rain.

Hon. R. A. MACKENZIE—Perhaps graffiti artists should use their skills and write "Eternity" in chalk on the footpaths of Melbourne—then we would not have too much to worry about!

I support the legislation and hope the government makes this only an initial step, and that other stronger measures will be taken to get the message across that such behaviour is unacceptable to the majority of Victorians.

Hon. ROBERT LAWSON (Higinbotham)—The coalition parties are always happy to pass legislation that may help to reduce the incidence of graffiti or vandalism in the community, but we cannot work up much enthusiasm for this Bill. I understand changes will be proposed in the Committee stage.

Hon. B. A. E. Skeggs—The writing is on the wall.

Hon. ROBERT LAWSON—It is weak legislation, as has been said by a number of speakers on this side. Some time ago I wrote a letter about graffiti to my local newspaper; it was reprinted in a number of suburban newspapers. As a regular train traveller I was offended by the amount of graffiti on railway property. It is depressing to sit in a

carriage covered from one end to the other in graffiti—on the windows, the seats and the ceilings, all mindless scribble.

In my letter I said that there is an army of rebels out there—but it has no leader, no cause and no philosophy. The army knows only that it is rebelling against someone. Apparently children coming home from schools are the main offenders, and if that is so the trains should be policed at that time. That could save a lot of trouble and expense.

As Mr Mackenzie mentioned, graffiti is ancient. Over recent years an investigation of the pyramids discovered inaccessible places where men working on the pyramids had been making unflattering references to their supervisors and Pompeii has some treasured examples of graffiti scribbled on walls. It is not a modern phenomenon: it has simply blossomed into new life over the past few years.

When my letter was published, a detective sergeant rang and said the situation was depressing because it was scarcely worth while prosecuting anyone found scribbling on walls, trains, railway stations or whatever. Most of the time they get off, and if convicted the penalty is hardly worth worrying about. He was told by his superiors not to concern himself with graffiti; the Police Force had better uses for his services.

The detective sergeant suggested including the offence of graffiti in the Vagrancy Act. I looked up that Act and found it included definitions of railways, bridges, ports and so on. The Act would need only a few new clauses to give the law in respect of graffiti some teeth.

Not all graffiti is as offensive as it might be. A few years ago I found some fairly witty examples. Honourable members may have seen books showing examples of witty graffiti. It was particularly prevalent in facilities, such as public lavatories and the like. Among all the obscene messages and drawings on the wall one could find the occasional witty comment, and I have taken note of a few.

I noticed in one cubicle where the door was 6 or 8 inches from the floor a sign at the bottom of the door saying "Beware of limbo dancers". A condom dispensing machine had written on it "My father says these things are no good" and another message on the same machine said "This chewy tastes terrible".

I shall get back to the subject of the Bill. The Opposition maintains the Bill is weak because it gives children who are caught the opportunity of refusing to do community service orders. A child can tell a magistrate he will not agree to such an order and the magistrate can do nothing about it. The court should be able to make decisions about whether a child should do a community service order; it is not necessary to allow a child to say he will not do such an order.

Another strange fact about the Bill is that it deals only with cleaning up graffiti. Why cannot children be given other services to perform? I am sure local sheltered workshops could use additional help. There are an infinite number of things children can do while on community service orders. For instance, today I was on a train and saw a lady with Down's syndrome, which used to be known as mongolism. She was obviously incapable of getting around by herself and she had a young woman with her. The young woman helped her on and off the train and walked off into the distance with her; presumably she was a friend or a relative. However, that is something children could do if they were put on community service orders.

The Bill will be extremely expensive to adminster. The people supervising the service orders will be employees of Community Services Victoria. Most of the orders will be made out for weekends and therefore officers of the department will be paid double time or whatever the weekend rate is. Officers of the department will be taken away

from other services to carry out this task. It would be far better to use voluntary probationary officers because there are plenty of volunteers around to do that sort of thing for nothing.

Hon. T. C. Theophanous—I don't know about that.

Hon. ROBERT LAWSON—They would do it for nothing. A number of volunteers in the community are willing to help as probationary officers, and I do not see why the service could not be extended a little.

Hon. W. R. Baxter—This outfit does not believe in volunteers.

Hon. ROBERT LAWSON—I know that, but I do not know why it could not be extended a little. Honourable members have heard arguments about whether graffiti walls are a good idea. I am inclined to think that type of activity is not bad if properly supervised. In the City Square, one can see what used to be the graffiti wall. People used felt-tip pens to write all over the wall, but they could not confine themselves to the spot they were supposed to write on and kept going. In the end the whole area was covered in the most ugly graffiti, except for the area people were supposed to write on. Shrubs and trees had to be put up to mask the wall. I can see some merit in children designing murals; I do not mean the scribble one sees on trains and railway stations.

Hon. T. C. Theophanous—Can they do a graffiti mural?

Hon. ROBERT LAWSON—I am talking about a mural of some kind. It may be non-representational or it may be a picture. I have seen it in action and Mr Van Buren spoke about a project in his province. It is an experiment worth trying, and I shall be interested to hear about the outcome of the project.

Another example of graffiti no-one has mentioned is the work of the Buga-Up Society. Members of that society use spray cans and felt-tip pens to alter advertisements for cigarettes. The society tries to emphasise the fact that cigarettes are unhealthy, but I have not seen its work around lately. I have not seen any desecration of cigarette advertisements in my area.

Hon. T. C. Theophanous—Do you consider cigarette advertisements to be holy?

Hon. ROBERT LAWSON—No-one has been writing over them, at least not in my area. The Department of Labour also goes in for graffiti. I noticed in the report of the department that, among other things, it gave $1500 to a group of South Americans for a mural. Where the mural is or what its nature is I do not know, but it was certainly officially sanctioned by the Department of Labour.

As I said before, I am a regular traveller on the trains and it is depressing to sit in carriages which have been thoroughly vandalised with a lot of meaningless squiggles. I go home on the Frankston line and see that the beautiful old railway stations have been desecrated in the same way. The brick-built railway stations at Hawksburn, Toorak and Armadale can be attributed to the nineteenth century tradesmen who built them. They built them with English bond, Flemish bond and bluestone coping. The stations are beautiful but they have been thoroughly desecrated, and that is worrying because we are losing the ambience of the city by allowing people to vandalise things. Even modern railway stations have been desecrated.

There have been numerous publications on this subject. I would like to quote from one which was published in 1990 by the Australian Institute of Criminology. It suggests that the motivation of the offender can be reduced or diverted by:

removing artwork quickly;

making sure surfaces ("canvases") are aesthetically unpleasing to the artists;

taking the glamour out of graffiti by reducing the challenge and preventing publicity;

promoting public disapproval or ridicule of the activity, or

waiting for the craze to die down.

In relation to spray cans it says:

make cans less suitable for the narrow jet favoured by graffitists;

put whistles in the cans.

That suggestion gives new meaning to the phrase "whistle while you work" because the can would whistle when sprayed and people would know graffiti artists were in the vicinity.

Many of the matters contained in the pamphlet are being put into effect, but the best way of stopping the growth of graffiti is by supervision. Honourable members have talked about the graffiti on trains, but there is never graffiti on trams, and that is because a conductor is present all the time. I do not want to get into a debate about whether there should be conductors on trams, but if they disappear we will have to start removing graffiti from trams as well as trains. It is a point worth thinking about.

I should like to mention clauses 4 and 5 because a number of speakers have done so. They relate to breaches of regulations and speeding through roadworks. Honourable members have heard from a number of speakers in both this House and another place that there is no reference to these clauses in the second-reading speech. If one were looking for them later and trying to find their origin, one would have no idea where the clauses came from because there is no way to tell from the title of the Bill or the second-reading speech how they got in or why they are there.

Clause 4 increases the penalty for breaches of the regulations which could amount to anything in hundreds of regulations. It increases the penalty two and a half times from $800 to $2000; that is, from eight penalty units to twenty penalty units. It has not been explained why this provision is included or why the penalty has been increased two and a half times.

Clause 5 relates to speed limit penalties and states:

In section 224 of the **Transport Act 1983**, for "2 penalty units" **substitute** "5 penalty units".

That is increasing the penalty two and a half times, and no explanation is given. If one sees a sign while driving along a country road which says "Roadworks ahead. Speed limit 40 kilometres an hour" and one exceeds that limit, one is up for a $500 penalty. Honourable members should bear that in mind when they are driving. I understand there might be something done about these clauses during the Committee stage. I sat in on the briefing sessions for the coalition parties and asked the officers of the department, and they were not able to tell us why the clauses were there, either. They knew they had been put in the Bill but they did not know why.

The Opposition has no objection to passing Bills that will help to reduce the incidence of graffiti or vandalism, but it does not think this Bill will work very well. It contains two clauses that have no relation whatever to the rest of the Bill, but I foreshadow that the coalition parties will not oppose the Bill.

Motion agreed to.

Read second time.

Ordered to be committed later this day.

CORPORATIONS (VICTORIA) BILL

Second reading

For **Hon. M. A. LYSTER** (Minister for Local Government), Hon. B. W. Mier (Minister for Consumer Affairs)—I move:

That this Bill be now read a second time.

The Corporations (Victoria) Bill heralds a new era for the regulation of companies, securities and futures in Australia.

As honourable members will be aware, the Commonwealth Parliament passed the Corporations Act 1989 and associated Acts to assume principal control of the regulation of companies, securities and futures. The High Court subsequently declared invalid certain provisions of that legislation.

Renewed negotiations between the Commonwealth, the States and the Territories resulted in a draft heads of agreement. Under the heads of agreement, a single regulatory authority, the Australian Securities Commission will be responsible for the administration of corporate law across Australia. The Commonwealth will legislate for the Australian Capital Territory and that legislation will be applied as a law of each of the States and the Northern Territory by a separate Act of each jurisdiction. The heads of agreement provides that the laws are to be "federalised". That means that for most purposes the corporations law will be regarded as a Commonwealth law.

On 8 November 1990, the Commonwealth Attorney-General introduced into the Commonwealth Parliament amendments to the Corporations Act 1989 and associated Acts to facilitate the implementation of the heads of agreement.

The Corporations (Victoria) Bill has as its principal purposes the application of provisions of the Corporations Act 1989, the Australian Securities Commission Act 1989 (and their respective regulations) as laws of the State of Victoria, and the application of certain other Commonwealth Acts as laws of Victoria for the purpose of the administration and enforcement of the law relating to companies, securities and futures. The Bill applies these Commonwealth laws as a law of the State of Victoria to be called the corporations law.

The Bill operates in a way that will ensure that the corporations law is not inadvertently affected by later State Acts which might otherwise have been interpreted as modifying its application. The Commonwealth Minister is empowered to make "application orders" with the prior consent of the relevant State Minister. This procedure will enable the Commonwealth Act to be modified in its application to a particular jurisdiction in circumstances which, under the current legislative scheme, would require each jurisdiction to make regulations.

The Bill applies the Commonwealth's fees regulations (which include fees which are taxes) and makes those fees payable to the Commonwealth. An offence against a provision of the corporations law is to be treated as an offence against Commonwealth law. The Australian Securities Commission is vested with the powers of the National Companies and Securities Commission under the present regulatory scheme.

Jurisdiction in relation to the corporations law is granted to each of the Supreme Courts and the Federal Court independently of their existing jurisdiction under the Jurisdiction of Courts (Cross-Vesting) Act 1987. The Bill contains its own interpretation provisions to overcome difficulties which might otherwise have arisen because of different interpretation legislation in each of these States. The passing of the Corporations (Victoria) Bill and corresponding legislation in the other States and the

Northern Territory will achieve a truly uniform national regulatory scheme for companies, securities and futures.

All of the other States and the Northern Territory are anxious to introduce legislation corresponding to this Bill to expedite the establishment of the new scheme.

I commend the Bill to the House.

Debate adjourned for Hon. HADDON STOREY (East Yarra) on motion of Hon. R. I. Knowles.

Debate adjourned until later this day.

PUBLIC AUTHORITIES (EQUAL EMPLOYMENT OPPORTUNITY) BILL

Order of the Day read for committal.

The CHAIRMAN (Hon. K. I. M. Wright)—Order! As there is no quorum present, I ask the Clerk to ring the bells.

Quorum formed.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. D. R. White (Minister for Industry and Economic Planning)—I move:

1. Clause 2, line 2, omit "or days".

Amendment agreed to; amended clause agreed to.

Clause 3

Hon. ROSEMARY VARTY (Nunawading)—I move:

1. Clause 3, lines 8 and 9, omit "declared by Order of the Governor in Council published in the *Government Gazette*" and insert "prescribed by regulations".

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

2. Clause 3, page 3, line 4, after "(*a*)" insert "the State Training Board and".

3. Clause 3, page 4, lines 9 and 10, omit "*Conciliation and Arbitration Act* 1904" and insert "*Industrial Relations Act* 1988".

Amendments agreed to; amended clause agreed to; clause 4 agreed to.

Clause 5

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

4. Clause 5, line 25, after "opportunity" insert "program".

Amendment agreed to; amended clause agreed to.

Clause 6

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

5. Clause 6, page 5, line 16, after "authority" insert "(being representatives who are employees of the authority and are members of such a trade union)".

Hon. ROSEMARY VARTY (Nunawading)—The coalition does not accept the amendment and seeks to move an amendment of its own, which I shall address at that stage.

Amendment negatived.

Hon. ROSEMARY VARTY (Nunawading)—I move:

2. Clause 6, page 5, lines 15 to 17, omit "trade unions having members employed by the authority or, if there are no such trade unions, representatives of".

I have moved the amendment because, as it stands, clause 6 (*c*) (i) states, in part:

trade unions having members employed by the authority or, if there are no such trade unions, representatives of employees of the authority, including representatives of women and each designated group included amongst those employees;

The provision allows a trade union representative to be appointed from outside the authority. The coalition does not agree with that. If an equal employment opportunity consultative committee is to be established that committee should comprise employees of the authority. At present the clause proposes a form of positive discrimination but may include a representative who may not be the appropriate person to be appointed to the committee; instead there is the possibility of including a person from outside the authority. The coalition does not agree with that provision. The amendment will remedy the position by ensuring that the trade union member on the committee is an employee of the authority.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

6. Clause 6, page 6, after line 16, insert—

"(iii) any policies or practices that are inconsistent with the principles referred to in section 8; and".

Amendment agreed to; amended clause agreed to; clauses 7 to 9 agreed to.

Clause 10

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

7. Clause 10, line 7, omit "On application by a public authority,".

8. Clause 10, line 10, omit "the" and insert "a public".

Amendments agreed to; amended clause agreed to; clauses 11 and 12 agreed to.

Clause 13

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

9. Clause 13, line 21, after "implementation" insert "and evaluation".

Amendment agreed to; amended clause agreed to.

Clause 14

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

10. Clause 14, line 28, after "authority" insert ", whether on his or her own account or at the request of the Minister administering this Act,".

11. Clause 14, line 30, after "Minister" insert "responsible for the Authority".

Amendments agreed to; amended clause agreed to.

Clause 15

Hon. ROSEMARY VARTY (Nunawading)—I move:

3. Clause 15, line 9, before "The" insert "(1)".

4. Clause 15, after line 12, insert—

"(2) Regulations under this Act may be disallowed in whole or in part by resolution of either House of the Parliament in accordance with the requirements of section 6 (2) of the *Subordinate Legislation Act* 1962 which disallowance is deemed to be disallowance by the Parliament for the purposes of that Act."

Amendments agreed to; amended clause agreed to.

Reported to House with amendments.

Report adopted.

Third reading

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That this Bill be now read a third time.

In doing so I thank Mrs Varty for her support of this measure.

Motion agreed to.

Read third time.

JOINT SITTING OF PARLIAMENT

Deakin University
La Trobe University
Victorian Curriculum and Assessment Board

The PRESIDENT—Order! Honourable members will recall that at 6.15 p.m. this House is due to meet with the Legislative Assembly in the Assembly Chamber to recommend members for appointment to the Deakin University council, the La Trobe University council and the Victorian Curriculum and Assessment Board. In view of the state of business, this seems a convenient time to adjourn for that purpose. I shall resume the chair at 8 o'clock.

Sitting suspended 6.4 p.m. until 8.3 p.m.

The PRESIDENT—Order! I have to report that this House met with the Legislative Assembly this day to recommend members for appointment to the Deakin University council, the La Trobe University council and the Victorian Curriculum and Assessment Board, and that Harley Rivers Dickinson, Esquire, MP, and John Francis McGrath, Esquire, MP, were chosen to be recommended for appointment to the Deakin University council; Peter Batchelor, Esquire, MP, and the Honourable Ronald Alexander Best, MLC, were chosen for recommendation to the La Trobe University council; and the Honourable David Mylor Evans, MLC, was chosen to be recommended for appointment to the Victorian Curriculum and Assessment Board.

MINERAL RESOURCES DEVELOPMENT BILL

Second reading

Debate resumed from 27 November; motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

Hon. J. V. C. GUEST (Monash)—The process of consultation and drafting and redrafting by all parties which led to this important Bill in this form all started with

an unsatisfactory Mines Act, emanating from 130 years of decreasing interest in the mining industry in Victoria. It is also a consequence of a lack of interest in reform and the fact that until quite recently it was assumed that Victoria had nothing but brown coal and worked out goldmines.

Over the past 25 years the revolution in the exploration for minerals has changed all of that but Victoria has yet to see major benefits from a revival of mining, and even exploration has been less vigorous than it needs to be if Victoria and Australia are to find the large, low-cost deposits of minerals that will increasingly be needed to compete with Russia, China, Africa and South America as well as other parts of the world, especially after the substantial further depreciation of the Australian dollar that is inevitable. In other words, we are dealing with a Bill that has major significance for the economies of Victoria and Australia.

I declare that I have investments in mining companies as a result of a family interest in the Western Mining Corporation, which is one of the existing large-scale players in the mining field in Victoria. Like many people I have bought the penny dreadfuls, as they used to be called—the sorts of shares that started at 4 cents and decreased to 2 cents and finally were delisted.

I acknowledge that I have been spokesman for the Opposition on this subject for only two months and that Mr Evans has had a much longer and deeper acquaintance with the development of the Bill, but my own experience of mining goes back to underground in Broken Hill in the 1940s and in Western Australia in the 1950s and to a considerable interest in the complexities of the mining legislation.

One might say that nobody is the perfect person to expound the problems with which the legislation deals but I suppose the ideal person would be a lawyer, not too bound up in the jargon and history of mining legislation, who owned a farm near mineral prospects and next to a national park, who is a hobby prospector and who has worked as a mining engineer for some time with a large mining company.

I do not fulfil all of those requirements but between Mr Evans and me we cover a certain amount of the ground. The development of the Bill is not absolutely unique but it is an interesting example of the adaptability of the democratic process.

Honourable members would be aware that I believe there ought to be scope for committee work other than the Committee of the whole in hearing evidence and considering legislation in detail. Legislation such as this could use wider scope but the process of reconciling all the interests and attending to all the details that have emerged from listening to experts in a number of different fields is not one that could be easily accommodated by attempting to draft in committee, if that would be the consequence of trying to do it all through some such process as is used in the House of Commons, where Standing Committees on legislation take the place of the Committee of the whole.

Nonetheless the process that has been used quite successfully does give rise to concern that not all interested parties are heard equally, although I do not think that has been the case in this instance. There have been four main categories of interested parties and I think they have all had access at least to members of the Opposition. They have all been heard and understood and they have also been able to influence the political process because in both Houses of Parliament we all have to be elected.

Governments have to be re-elected and oppositions have to be elected into government by the votes of the people who can be influenced by players in the lobbying process who may be dissatisfied with the hearing they have received.

The four main groups of interest involved might be classed as economic, environmental, property rights, and civil liberties or those concerned with liberty and equity for the individual. Described in a slightly different way, one might say the Bill is primarily concerned with mining investment by farmers and other landowners, with national parks and other conservation, and with small prospectors and miners.

All these interests have been consulted and their arguments weighed, and none is wholly satisfied. Indeed, I suspect the Minister would have to take comfort in the words of a British Minister a few decades ago who said that the British knew they were honest brokers in Palestine because they were heartily hated by both the Arabs and the Jews in 1947.

In the course of listening to the interested parties, as the Opposition has done at any rate—and no doubt the government has done the same to some extent—one cannot help but note the vigour of expression of the affected parties. I believe not one of them failed to say at one stage that the legislation should simply not be passed at all if certain of their requirements were not met.

However, our task—and I speak now for the coalition—is to get this Bill through, with some further amendments. Although in the end the coalition intends to make a better job of legislating when it has the resources of government and the control of the Parliamentary agenda, at this stage it has formed the view that, on balance, the interests of this State and the interests between competing values and competing interest groups will be best met by passing this legislation and dealing later with any problems that arise either because this government is prepared to recognise them or because we are in government and in a position to do something about them.

The long recognised key elements of the reforms in the Bill, on which I do not intend to go into detail except in the Committee stage, are to simplify for the purposes of encouraging substantial mining investment in this State; to speed up the processes; to provide where possible a one-stop shop—although that is by no means achieved entirely satisfactorily; and to provide security, which includes enough time to explore without worrying about creditors and preventing resources being tied up in expensive and time-wasting disputation.

Other elements can be regarded as consequential, even though they are equally important in their own way. As I have said, they are elements relating to liberty and equity for the individual, the protection of the environment, and the protection of the rights to property, particularly for farmers but also for other property owners affected.

We are pleased that in dealing with both the main thrust of the Bill and the necessary consequential balancing elements there have been undoubted improvements made particularly in the way of simplifying and providing for compensation processes, providing for the rehabilitation bond, for eliminating what has been known as the real estating of titles, and for protecting interests covered by planning schemes in a reasonable way without allowing them to be an obstruction to the reasonable progress of mining.

I have to say that on matters such as planning and the need to ensure that planning is not divorced from the expertise of the Minister and his department in so far as it applies to exploration and mining, of course the prospectors and miners and the big employers with the Victorian Chamber of Mines are as one. Equally clearly, the environmentalists and the landowners tend to take opposing views.

The Opposition has paid close attention to all the interested parties with competing values. We believe we have played our part in the development of the Bill, which should now proceed subject to some amendments that will be dealt with in the Committee stage and subject to our again considering, when we achieve government,

a number of important issues which arise from this legislation and which have not been dealt with entirely satisfactorily.

Hon. D. M. EVANS (North Eastern)—The Mineral Resources Development Bill comes about because, in the view of most people who have had anything to do with the mining industry, the old Act was not working at all well. Indeed, the House will recall that I have a notice of motion still listed on the Notice Paper directing attention to that fact. There was a general recognition that there were problems with the operations of the Old Mines Act which had developed from the old mining industry Acts of the 1850s and 1860s, some 130 or 140 years ago, and it seemed appropriate indeed that at some stage, about now—particularly with the increase in mining in this State, and the increase in conflict arising from that increased activity—the Mines Act should be subject to substantial review. As a result of that the government of the day set in train some two years ago a major inquiry into the mining industry under the leadership of a former member of this House, Mr Michael Arnold. That was done because it was the view of so many people that the old Act was not providing for the needs of miners, landowners or the community in general.

I point out at the outset that it is my view—and, I believe, the view of the National Party and the Liberal-National Party coalition in opposition—that mining is a most important industry both in Australia and potentially in Victoria. I am well aware that all the raw materials and resources on which our very highly technological society and our high standards of living are based come from only three sources: the farm, the forest and, as in this case, most importantly, the mine. It then becomes not so much an issue about the denial of the right for people to earn a living by providing those resources in a form that the community requires, but rather about so regulating the winning of minerals in this case, or in the operations of a particular industry, as to be in line with community expectations and with proper management practices.

It is clear that the moment the review of the Mines Act began there was a very direct conflict of interest between two important and powerful interest groups, both of which had a most direct interest in this matter. The first of the two groups is the landowners, who do not want to give up their way of life or to cede farmland to any other industry unwillingly and who, in the case of Australia, earn 37 per cent or thereabouts of our export income and feed this nation.

Miners have a legitimate right to operate a business and earn a profit. If they do not earn a profit they will not continue with that business. The mining industry provides substantial employment and approximately 45 per cent of Australia's export income is derived from the industry; and given Australia's disastrous balance of payments deficit of approximately $20 000 million a year, both the farming and mining industries are of great importance to the nation.

The mining industry has a further restriction, in that it can mine only where the minerals exist; it cannot operate a mine in an area where no minerals exist. It is that fact, more than any other, which puts it in conflict with the farming community.

The third group that has a direct and legitimate interest is the wider community, which has concern about the environment and the future. The community is concerned that resources that are finite are properly used and not wasted. Indeed, the community has an interest in the effect mining or any other human activity has on the environment. This issue is of increasing concern within our community.

Members of the community who have an interest in these matters often, because of their lack of experience, exposure or full understanding of the processes involved in farming and mining, see mining in a snapshot situation and believe it substantially disturbs the environment, looks ugly because of the holes in the ground and causes

chemical processes to take place which, if allowed to continue unrestricted or without proper regulation, will damage the environment or the population. With proper understanding of the processes the community would understand that safeguards are applied and properly considered. The government ensures all these things occur by implementing laws and regulations so that the people and the industries engaged in these activities adhere to proper discipline.

Obviously, because of the conflict between the various groups and the necessity for the mining products, many people have had an input into the review of the Mines Act. The National Party had a particular interest in a major mining development in the western part of Victoria where exploration is currently being carried out by Wimmera Industrial Minerals Pty Ltd. An inquiry was conducted by me as chairman, my colleague Mr Hallam, and the honourable member for Lowan in another place. The committee held public hearings and took evidence in writing from members of the community, shire councillors and representatives of the mining industry and the farming community, and produced a short and comprehensive report. The members of that committee gained an interesting insight into community attitudes towards mining, the mining industry and the way it operates. Wimmera Industrial Minerals was and continues to be a responsible organisation and is the sort of organisation that I would like to see carrying out mining activities in this country.

Many other people have had a major input into the legislation. It would be unfair not to recognise the contributions made by a former member of this place, Mr Michael Arnold, and the contribution of departmental officers such as Keith Owen and others in drafting the legislation. Representatives of the Victorian Chamber of Mines such as the chairman, Duncan Bell; the former chairman, Ian Goodie, and the executive officer, John Reynolds, made significant contributions. The President of the Victorian Farmers Federation, Mr Alex Arbuthnot. Ms Jenny Holmes and Mr Tom Copping also contributed significantly, as did Mr Barry Steggall, the honourable member for Swan Hill. In the past weeks the shadow Minister responsible for energy and minerals, Mr Plowman, has worked hard. Parliament is fortunate to have Mr White as the Minister for Industry and Economic Planning because he has the capacity to understand the problems and guide honourable members through the legislation.

The legislation is the culmination of an enormous amount of work. It is a great improvement on previous legislation. It is not perfect and amendments will be made which will substantially improve it. No doubt in the future, as it is bedded down, other problems will arise in the operation of the Act and regulations which will need to be dealt with by further amendment. That should be expected with any new legislation. Parliament hopes the legislation meets community expectations and bridges the gap between the community interests. It should also provide justice to both the farming and mining interests.

As I indicated earlier, there was substantial conflict between certain groups within the community. The farming community is concerned about the effect mining operations may have on their livelihood and the amount of compensation that should be paid. Farming interests initially demanded that a landowner's veto should be provided for in legislation. They meant by that that landowners should have the right to say no to mining on their property; that exploration could continue but the mining industry should obtain permission from the property owner and pay compensation where necessary.

The President of the Victorian Farmers Federation fought strongly for that provision to be inserted in the legislation. He pointed to landowners having the quiet enjoyment of their property and to the fact that a landowner veto provision exists in the legislation in New South Wales, where 28 per cent of the State is covered by private freehold

land, and in Western Australia, where 6 per cent of the State is protected in the same way.

The mining industry argued that a landowner veto, while sounding attractive, was a significant inhibition on mining operations. It also pointed out that under the original grants of title to freehold land the Crown reserved the ownership of minerals to the State and the people of Victoria; and that freehold title was granted only on the condition that certain clearly defined minerals remained in that ownership. Given that recognition, there was an immediate conflict of interest. The landowner had the right of quiet enjoyment of the land surface; the State and the people of Victoria owned the minerals and had every right, should there be value in those minerals, to have access to them. Clause 9 of the Bill restates that position and indicates that certain minerals defined in that clause are in the ownership of the State. They are the more valuable minerals and do not include materials such as ordinary stone, soil and sand. Those items remain the property of the landowner down to a specified depth.

The mining industry also had requirements. It wanted a clean and quick process so that if minerals were discovered the industry had the opportunity of exploration with minimal disruption, given its responsibilities to the rest of the community, provided proper conditions were met.

Probably only one in 1000 exploration licences result in a worthwhile mineral discovery and in that case miners believe it is fair and reasonable that the process for granting a mining licence should be quick, clean and without frustration. Miners accept that the process should give clear rights to all those people who have an interest in a mining site. A process to lodge objection, to be heard and to be fairly and properly judged is important. When making application miners do not want to be frustrated by people who are opposed to mining—for whatever reason—and who put a cap on the mining application by continually frustrating the process, year after year.

Two matters are important. Firstly, the rights of the landowner should be properly protected so that he or she does not suffer disadvantage. Secondly, mining applications should be dealt with quickly and without frustration. The small miners and prospectors say that mining began in Victoria in 1850 with miners prospecting with no more than a pick, a shovel, their hands and their strength. In that way they found an enormous amount of gold. They believe they have a right to continue their operations particularly on Crown land.

The Bill provides for the small miner under the so-called miners right. Further amendments will be made in the Committee stage that will clarify a couple of points, particularly dealing with miners rights on private land which the opposition parties believe should be supported.

The community must not be forgotten because it has a right to certain standards of behaviour in the rehabilitation and attention given to the environment. The Bill should facilitate the process of mining. It should control the undesirable elements who may get into the mining industry. Earlier I commented on the Wimmera Industrial Minerals Pty Ltd, which is a good example of a responsible company. However, not everyone who engages in the mining industry behaves in such a way.

Some publicity has been given to people known as real estaters in the mining industry who under the Act obtained exploration licences, reserved the right to mine in a particular area, and endeavoured to discover some traces of mineralisation so that they could sell their rights to those areas.

Hon. R. A. Mackenzie—Some of them were the criminal element.

Hon. D. M. EVANS—There is a criminal element in almost every human occupation. There are probably some who are real estaters in the mining industry. Concern was expressed about those real estaters who, with $2 companies, create a mess on private land and then move away. They take no responsibility for cleaning up their mess.

No responsible person in the community or in the mining industry supports those operations. The Bill contains provisions which will make it more difficult for real estaters to ply their trade. I am sure it is the intention of the Minister to stop them plying their trade and it would be the intention of the coalition after the next election to ensure that those activities are not supported.

The Bill ensures proper rehabilitation during and following a mining operation. Its provisions ensure that landowners will be compensated both at the exploration stage and at the mining stage. The Bill contains better legislative requirements than those contained in the Act. In that sense it provides better protection for the landowner and for the community, while at the same time demanding that the mining industry take responsibility. I believe responsible mining companies already accept that requirement and in some cases they are ahead of the community's demands.

The Bill provides the Minister with substantial control of mining in Victoria. The Minister issues the licences, both exploration and for mining. He has power to exempt certain areas of land from mining. There are areas for appeal to the Administrative Appeals Tribunal on matters such as length of time taken for an application to be approved and in the case of the refusal of access to Crown land.

The Minister also has substantial powers under the Bill but, to use a phrase I used only a couple of days ago—it is at his door that the buck stops. It is fair and reasonable that this is the case. The community expects that the buck should stop somewhere and the person who carries the ultimate responsibility for the manner in which mining is carried out and the ultimate responsibility for the necessary decision-making process is the Minister. The Bill clearly provides that the Minister is the responsible person. It sets out the terms and conditions under which he should operate.

Various provisions deal with the nuts and bolts of mining. For example exploration licences must be issued and a company must be able to show the Minister, prior to its issue, that the principal or individual wishing to carry out mining exploration is a proper and reasonable principal or individual to be given that opportunity.

No longer is the method of marking out a particular area done by creeping on a farmer's property at night and driving in the pegs to mark a claim. A far more civilised system is provided in clause 13 with the use of map references and other particular references that indicate the area that a miner has claimed. There are no pegs!

The Bill provides for mining exploration to determine whether there are any areas of mineralisation which are of interest to miners, such as the case of low impact exploration such as geophysical studies, by the taking of small samples of soils and even minor soil disturbance. I foreshadow amendments will be moved in the Committee stage which relieve the mining exploration company of the need to obtain a planning permit at that stage provided that the exploration is known as a low impact one. Further amendments in the Committee stage will facilitate the process when there is no good reason why an application should be frustrated.

The most important stage of mining from the community's point of view is when mineralisation is discovered because that indicates it is an economic proposition and in that situation the Bill clearly spells out a number of clear responsibilities of the Minister and a clear set of directions for the Minister to exercise his prerogative of decision making. For instance, the miner must prepare for mining by making up a

proper work plan that sets out in considerable detail, which the Bill defines, those things that should be included and the way in which he must carry out his operation: the effect of the impact of mining upon the general community in the environment; how mining will deal with chemical usage; and how rehabilitation work will be carried out.

Under another clause of the Bill it will be necessary for miners to obtain the consent of landowners prior to moving onto private property; and there is also a requirement that landowners be properly compensated, and the land properly rehabilitated, after mining ventures so that they are not disadvantaged. It will be necessary for a miner to enter into a rehabilitation bond by depositing, at a place and in a manner determined by the Minister, a substantial sum of money to ensure the availability of adequate reserves to carry out any necessary rehabilitation following mining.

Under clause 83 the Minister will have the power to have carried out additional rehabilitation of land used for mining, to charge miners for the cost of it, and to sue for the return of any money paid for rehabilitation that the miner is not prepared to carry out. Further, with an amendment to be suggested by the opposition parties, the landowner will have the opportunity of initiating the process. Landowners will be given the added protection of not having to pay for unforeseen damage to their land. Landowners must give their consent to these arrangements; but because the minerals below the ground belong to the Crown landowners will not be able to withhold consent after proper agreements as defined in the legislation are entered into.

The Bill contains a mechanism for resolving disputes over rehabilitation plans. Miners entering private property to carry out mining operations will have to have third-party insurance so that that responsibility will not lie with landowners. Miners will have to pay rates to municipalities for the land they use, although I suspect difficulties will be encountered in determining the valuation of the land on which rates are to be paid.

A variable level of royalties shall be paid to the State. Members of the mining industry are concerned that the government not make unreasonable demands for royalties if mining companies or miners discover major deposits of minerals. Nevertheless there is a provision in the Bill requiring firm contracts to be entered into between the Ministry of Industry and Economic Planning and miners about the level of royalties to be paid; and miners will have the opportunity of ensuring that the details of such arrangements are tied up before the mining venture proceeds.

Not only mining companies but underground miners, who face the day-to-day risks of mining, have expressed concern about mine safety. I note that with the agreement of all sides, particularly the agreement of the mining industry and the Victorian Chamber of Mines, further amendments that are specific to mining and to the legislation will be proposed.

The Bill also provides for the appointment of mining wardens, who will be given the responsibility of overseeing the operation of the legislation and resolving disputes between miners and miners, miners and landowners, and miners and others with an interest in the industry. People appointed as mining wardens will have to have experience of both sides of the argument and will need to have the ability to assess facts and make proper judgments expeditiously and fairly.

One of the problems of the operation of the Mines Act has been the failure of the predecessors of the Ministry for Industry and Economic Planning to provide adequate human and financial resources to oversee the mining industry in Victoria. The Act will not work as well as it has the potential to if the government does not provide adequate resources, and many of the problems we have seen in the mining industry in recent years will not be resolved. No legislation can be valuable unless it is obeyed

and properly overseen. Mining wardens will have a key responsibility and it is essential that the government supports them.

Further control of the operations of the mining industry in this State will be exercised by regulations made under clause 124 of the Bill, as is the normal legislative practice these days. The use of regulations and the making of new regulations to control various activities are key elements of the way Acts work. The opposition parties will insist on the insertion of a provision in the Bill that will allow either House to disallow regulations; and that, together with the scrutiny of the Subordinate Legislation Subcommittee of the Legal and Constitutional Committee will ensure that Parliament has proper control of the operation of the Mineral Resources Development Act. Either House will have the opportunity of re-examining the regulations.

The Bill also provides for a code of practice to be drawn up in consultation with the mining industry to set down in a more flexible way than legislation how the mining industry should operate. At the insistence of the opposition parties the code of practice will be able to be amended or set aside by either House so that it will not become an administrative instrument run by the Sir Humphrey Applebys of this world, but rather provide opportunities for the making of proper political judgments. Regardless of which party is in power that is an essential part of the process.

No-one who has had anything to do with the development of the Bill over the past few years would doubt that landowners have a key role in the Bill. They have attended meetings and information nights in rural areas and have participated in the Wimmera Industrial Minerals inquiry conducted by a National Party committee. I believe all political parties will agree that landowners whose land is used for mining ventures should not be disadvantaged as a result. I believe that sentiment is shared by responsible mining companies in Victoria; and that is bolstered by the requirement in the Bill for the setting of guidelines under which such people can operate.

I am firmly of the view that when passed the Mineral Resources Development Act will provide better protection for landowners than did the Mines Act. Provided it is well administered the farmers of Victoria will be better off under the new Act. I believe the Victorian Farmers Federation can take credit for and should be well satisfied by its part in the negotiations leading to the introduction of the Bill. The VFF did not get everything that it wanted; for example it did not succeed in having included in the Bill a landowner's veto.

I believe two years ago it clearly understood that was not likely to occur. On behalf of its constituency it has fought for, and in my view has substantially succeeded, in getting protection under the Bill. As I have indicated, there can be no access to a farmer's property for any operation at all that is in any way intrusive on the landowner—even the right to peg—unless an agreement has been reached with the farmer. The farmer cannot refuse access but can hold it up until such time as a proper compensation agreement has been reached to ensure he does not suffer any disadvantage, has an opportunity to go to an independent arbitrator if there is a dispute and the arbitrator can be expected to set fair and reasonable compensation.

Further, it must be obvious that in the case of very wide-scale mining such as is undertaken by Wimmera Industrial Minerals, which will take in broad-acre mining over an extensive area, on occasions it will be advisable and sensible for the farmer to sell his or her property to the mining company. The Bill provides that in such a case the farmer should receive up to 10 per cent solatium; that is, 10 per cent above the agreed market value of his or her property. I should have liked to have seen that level at 20 per cent. In negotiations prior to the introduction of the Bill and the discussion in the House between the two parties there was an opportunity to effect that

amendment. Those negotiations did not come to fruition and the level of solatium remains at a maximum of 10 per cent. That figure is set under clause 85 of the Bill.

However, government amendments have been put in place which provide—in addition to the solatium and purchase price—for the reasonable costs of relocation of the farmer should he or she have to move to a new property as a result of mining. While not clearly defined those costs could cover such things as the stamp duty on the purchase of a new property and even a substantial loss through the way the farmer's operations were carried out as a result of having to sell redundant machinery, and so on. It is a very wide-ranging amendment and the National Party is pleased to see recognition of the fact that by shifting operations a landowner can be subjected to substantial disadvantage. In many ways it makes up for the fact that the solatium has not been raised to the level of 20 per cent. I also believe responsible mining companies would accept that is a fair and reasonable provision in the Act.

Perhaps most importantly the farming community has sometimes felt mining operations may be to the detriment of the long-term productivity of the land. It would say that one can obtain a short-term return from mining which makes it look attractive but if in doing so one totally destroys the land forever, perhaps for the long-term benefit and interest of the community the minerals should be left where they are. Amendments to the Bill will require that prior to commencing operations the miner must present figures and calculations to the Minister which will show the value of mining, including the value of employment opportunities. Under the proposed amendments that document can be made available confidentially to a landowner who may be affected by the mining operation. Confidentiality requirements provide that that information not be allowed out to the general public.

The landowner will have an opportunity to appeal to the president of the board of valuers if he or she believes the figures put forward by the miner show farming, not mining, is the highest and best use of that land or, alternatively, that some of the figures put forward do not adequately represent the position—that the miner has fudged the figures. I hope that will never occur. The additional opportunity to appeal against the granting of a mining licence on economic grounds will be provided in the legislation as a result of an amendment. I welcome that approach.

At one stage people were inclined to call that a limited veto on behalf of the landowner, but the word "veto" seems to have gone out of fashion. It is an additional opportunity to ensure the landowner's rights are protected. I believe it is a proper and fair concession and one that the Victorian Farmers Federation has been able to achieve by dint of hard work and negotiation.

Under clause 45 there is protection for certain farm buildings and improvements to a distance of 100 metres laterally and—with amendments—100 metres vertically from mining operations. Improvements protected include a dwelling house, the home of a person; substantial farm buildings; factory; windmill; bore; spring or dam; garden, orchard or vineyard; reservoir or lake; church; hospital; public building; cemetery; a building specified in the Register of Historic Buildings; and certain Aboriginal and archaeological sites protected under Commonwealth legislation.

There is some concern in the farming community that under clause 46 the Minister has the right to set aside the prohibition of mining in those areas. Obviously if the landowner has an agreement with the mining company under which the landowner's woolshed is shifted—any decent landowner will ensure he gets a pretty good woolshed in return, a good set of yards and a coat of paint—there will be no need for this provision to come into play. If the landowner is not prepared to come to an agreement with the miner, the miner can appeal to the Minister and ask that mining be permitted to take place inside the prescribed distance. Following advice from the Mining and

Environment Advisory Committee and with a proper compensation agreement in place—and only at that stage—the Minister can set aside the prohibition by a landowner of mining operations within 100 metres. Some people in the farming community felt it would have been better to have allowed the setting aside of the prohibition to be made only by an independent tribunal such as the Administrative Appeals Tribunal.

The Opposition made the judgment that the Minister is the proper person to make the final decision, on the advice of the Mining and Environment Advisory Committee. That procedure provides a landowner with adequate protection and opportunity to state his or her case. At the same time it is admitted it gives the miner some opportunity to set the veto aside. It then comes down to the fairness and equity displayed by the umpire who, following advice, in this case will be the Minister. I referred to the Mining and Environment Advisory Committee that would advise the Minister on a number of issues. The committee is set up under Part 4 of the Bill and has a series of functions to exercise for the Minister which are generally advisory in nature. As with all such committees the question of who shall constitute the committee is of interest and importance.

The committee membership was originally to be very much under the Minister's control but amendments agreed to in another place, and which now form part of the Bill, are in line with the original intention of the coalition. As a consequence, membership of the committee is more specifically set out in the legislation. It properly provides for the appointment of an officer nominated by the Minister administering the Conservation, Forests and Lands Act from the Department of Conservation and Environment, an officer from the Department of Planning and Urban Growth, and one person who, in the opinion of the Minister, is capable of representing small miners, those on 5 hectares or less. That representative will be the choice of the Minister because the Opposition and the government at this stage believe it is proper that the person be selected from the various groups which may from time to time represent small miners.

A further representative is chosen from a panel of three names submitted by the Victorian Chamber of Mines which is generally seen to represent the major miners in the State and also claims to have some representation from the smaller miners; one is chosen from a panel of three names submitted by the Victorian Farmers Federation, and one is a person who in the Minister's opinion is capable of representing environmental interests. Again, the environmental interest groups are not specified in the Bill because there are a number of different groups, and it is expected the Minister would consult with relevant groups to see whether consensus could be reached as to who should be their representative on the Mining and Environment Advisory Committee.

This is a complex piece of legislation. It would be proper to go through it clause by clause and during the Committee stage there will be considerable debate on the meaning of the clauses. In discussing the Bill tonight in general terms, I have had to refer to the various provisions to understand the general thrust of the Bill and its complexity. I have not dealt with all of the provisions in what is a most complex and comprehensive Bill. At the beginning of my remarks I said the Bill needs to achieve certain objectives. It needs to recognise that mining is an important part of Australia's economic activity that provides some 47 per cent of Australia's export income and underpins the important industries that underpin Australia's highly technological lifestyle. The Bill needs to allow mining in this State to take place with the minimum of frustration while at the same time providing adequate protection for all the legitimate community interests that need to be protected. It needs to have a simple process that takes the least time to correct unreasonable decisions without endangering the rights

of people who have an interest in the effects of mining or in the mining operations. It needs to meet the legitimate concerns of the farming and landowning community so far as farming operations, compensation, and farmers' rights and privileges are concerned.

The Bill before the House will do a much better job of looking after those interests than the previous Mines Act did. If that were not the case, all the work and effort that has gone into it in the past two or three years would be wasted. The Bill needs to recognise the very clear and proper community concerns as to proper treatment of the environment and proper mining operations and to take those considerations into account.

Because of the very detailed requirements prior to mining taking place and during the exploration stages, there is the clear opportunity for community concerns in that area to be met. Finally, and most importantly, there is a means by which the buck stops somewhere. The buck, as is proper in a democracy, stays with the Minister and with the Parliamentary and political process. The Bill is not perfect; it is a compromise, because there are occasions where direct resolution of that conflict was not possible. It has been a good compromise, the result of a great deal of work honestly and fairly carried out by a number of people. There will be criticisms of it and a requirement for amendment, not only in this House, but at later stages.

I commend the Bill to the House as a piece of legislation that will better meet the needs of the farmers, the miners and the community than did the previous legislation.

Hon. LICIA KOKOCINSKI (Melbourne West)—The Mineral Resources Development Bill 1990 replaces the Mines Act 1958. While Mr Evans has gone through the Bill in substantial form he did not mention that the Bill is written in plain English. For those people who, like me, do not have a legal background, it is refreshing that much more of Victoria's legislation is written in plain English so that everybody can understand it. It is certainly a vast improvement on the 1958 Act.

Through this Bill the government is committed to making it bureaucratically easier for mining to occur in Victoria. The government believes the Bill will provide a favourable investment climate for mining in this State. One has to accept one reality that none of the previous speakers has mentioned: that while the buck stops with the Minister on the bureaucratic, regulatory and legislative side, much of what happens in mining investment in Victoria is going to be determined, as it always has been, by international and domestic factors—the state of the world market for Australia's minerals, the price of the Australian dollar in relation to other world currencies and the political stability of Australia's overseas markets.

There are many issues that this Bill seeks to resolve and I will briefly address some of them. They were presented to me fairly succinctly by various people from the Victorian Chamber of Mines, conservation groups and the Prospectors and Miners Association of Victoria. By and large, the mining industry is concerned about the coordination of licence requirements. In the past it has had to seek something like five different permits from five different departments. There has been a requirement to run around not only to the five different departments but to local government and, within local government, to the various departments and councils. One has to admit it has been extremely difficult.

In this day and age of coordination and smooth processes that is unrealistic. It is no wonder the mining industry took it upon itself to make coordination one of the major issues to be confronted and solved in a Bill that any government was to pursue. This was brought home to me when I was fortunate enough to visit a mining project, where I was told it took two years before mining could start. It had nothing to do with getting

the equipment in and starting to dig; it was none of that physical work; it was simply the whole notion and problem of running around to different departments and actually being given the run-around. I do not think any government that is serious about economic development in this State can tolerate such a circumstance. This government has not tolerated it.

The mining industry has seen the one-stop shop concept—to streamline coordination—as a panacea for the problems facing the mining industry in Victoria. I am disappointed at this notion. In the time I have been dealing with the Victorian Chamber of Mines and other groups I have become a little confused as to what exactly they meant by "one-stop shop". One definition of this phrase is that the Minister responsible would be empowered to override all other State bodies and local government legislation in pursuit of the industry's interest. This is a totally unrealistic view of society and its expectations of government.

The contemporary view of society is that it incorporates structures to enable people to influence social, conservation and environmental issues. There are a variety of structures within the system and they are there to protect as many people as possible: the greater good for the greater number.

During the discussions I had with the mining lobby, it seemed not to be necessarily seeking a one-stop shop but coordination of the processes allowing the industry to obtain the necessary consents and approvals to allow work to proceed. It was considered necessary to have one body to coordinate the seeking of the various permits rather than having up to five different bodies overseeing the issuing of permits.

The Minister will be authorised to act as a planning authority under the Planning and Environment Act. The government is of the view that the existing powers contained in the Act are the appropriate mechanism for such a role and legislative amendments to those powers are not necessary.

Local input into the planning permit process for mining and exploration must be maintained; it is essential that local people are listened to. I put to the representatives of the Victorian Chamber of Mines that a significant level of opposition has been generated in the community to the Minister becoming the planning authority. The opposition comes from local government and the conservation movement. The fear is that the Minister will have overriding powers, whereas that is not so. The Bill confers on the Minister the right to convene meetings of a variety of people, including Ministers, local government bodies, other public bodies and members of interest groups to discuss the issues that may be holding up a particular permit process, so that one body will coordinate the seeking and granting of permits. The running around will not be done by the miners; it will be done by the coordinating department.

The main theme of the Bill relates not just to the coordination process the government is seeking to establish but also to achieving greater things in mining in this State through collaboration and cooperation between a number of departments. The government will not just wield a heavy legislative hand over them but will ensure mining in Victoria continues to grow in cooperation with all the bodies involved.

The Victorian Chamber of Mines has indicated to me and through the media that other States have a one-stop shop concept in their mining Act. However, in respect of mining matters, the chamber cannot realistically compare Victoria with either Western Australia, the Northern Territory or Queensland. The reason is simply that Victoria is different from the other States and has more demographic, historical, geological, geographical and climatic dissimilarities from them than it has comparable circumstances. Victoria is probably far more densely settled and also has far less land to do what one would like on than Western Australia.

I appreciate that mining plays a special role in the Victorian economy. Probably no other sector of economic activity in Australia allows people access to somebody else's property against the wishes of the landowner. The unpredictability of exploration and mining allows the Chamber of Mines to plead a special case. I do not—neither does the Minister—deny that a special case exists and that mining is probably a venture of far higher risk than manufacturing industry faces.

Being a special case, the mining industry also has special rules and conditions that must apply. The community rightly expects adequate compensation will be paid to landowners whose legitimate aspirations are frustrated by the uninvited activities of others. The community is entitled to demand a high level of environmental control on mining activity because of the widely held perception that mining has the potential to wreak enormous damage on the environment. While the perception is widely held in the community, some sectors of the industry have responded to some of the concerns expressed and I congratulate them for doing so. I am sure the concern shown for environmental problems will continue to be maintained.

When inspecting some of the reclamation or rehabilitation projects around Stawell and Castlemaine, I admit I was pleasantly surprised to see how the mining companies are dealing with the opportunity cost issue of mining land in some municipalities. Mining companies enter into agreements on projects with particular local government authorities and fund certain facilities for the benefit of the municipalities where they have the use of areas of council land.

The concept of Crown ownership of minerals is retained and appears to be widely accepted and acknowledged by the vested interests involved in mining. The government had no desire to alter the concept during any of the consultation process.

However, access to property has remained contentious among farmers and was raised by Mr Evans. The right of veto to access to land can be viewed as de facto ownership of minerals by the landowner. The government has consistently opposed such a unilateral right of veto and will continue to oppose it. However, it is acknowledged that it is not unreasonable for private landowners to expect to have some say about access to their land and to stipulate the kinds of working conditions that should be adhered to in mining activities on that land. It is not unrealistic also that landowners be adequately compensated for the opportunity cost to them for the mining undertaken on their land.

It is reasonable that landowners demand mining companies adequately rehabilitate the land subject to mining activities and that they establish eligibility for further compensation if the rehabilitation is unsatisfactory or somehow breaks down in years to come. The Bill provides scope for these matters.

The Department of Industry and Economic Planning will play a major role in the facilitation of certain exploration and mining projects and the legislation is designed to achieve that objective. The Mineral Resources Development Bill sets the scene and lays the groundwork for Victoria to once again develop a reputation for important mineral development. However, I disagree that at the end of the day the buck stops with the Minister. The buck stops with the mining companies because they undertake the exploration and, eventually, the mining. I feel strongly that it is up to the mining companies to get the best they can out of the Bill. I feel secure in the knowledge that the new administrative arrangements will work for the benefit of the mining industry in Victoria. I commend the Bill to the House.

Hon. B. A. CHAMBERLAIN (Western)—I support this important piece of legislation, the Mineral Resources Development Bill. I well remember early speeches made by Mr White when he first became a Minister of this government in 1982. He

was then Minister for Minerals and Energy and he espoused the hope of dramatically changing the law relating to the winning of minerals in the State. The Minister will have watched the way the debate has developed, particularly in recent months, with some satisfaction.

Tonight this Bill represents a lot of goodwill from many people. People whose names have been read into the record by Mr Evans have contributed hundreds, if not thousands, of hours to ensure we have legislation which puts us into a situation of having a viable mining industry which can work in cooperation with a healthy environment and which in that way is environmentally sustainable over the next decade.

No-one is suggesting the legislation is perfect. Like any compromise—and that is what the legislation is—everyone has to give a bit and everyone takes a bit. I particularly pay tribute to my colleague in another place, Jim Plowman, for his work on this Bill particularly in latter days. I have more than a passing interest in the legislation, having been the shadow Minister for some time as well as being interested obviously in the need to develop a viable industry at this time when Victoria needs everything possible going for it.

One has only to examine the sad report today of the ANZ Bank, and one is reminded of what that report says about the state of Victoria's economy. We want an environmentally sustainable industry which recognises the rights of others actors in the play, particularly the miners, the owners of land and those who are interested in the natural environment.

The legislation makes some fairly dramatic changes as to who will be the principal actors in mining in the future. The industry is one which has bred many paper shufflers and I shall shortly deal with those issues. Those who will be involved in the industry and who will obtain licences from the Minister will be those who will meet a number of requirements. Those requirements are that the person must show he is capable of developing a mine; that he is a person who can have the financial backing to develop a mine; and that he is a person who really has the intention of developing a mine. As I said before, there are many paper shufflers in this industry.

I particularly report to the House on an examination of the role of the paper shuffling miners in Victoria, as reported by a working party headed by the Victorian Mining Warden. I have extracted the report from the *Age* of 24 July 1989, under the rather colourful heading, "Criminal fringe infiltrates gold industry". The article, by Christine Rau, deals with the report of the working party which included the Victorian Mining Warden, the Victorian Farmers Federation, the Victorian Land Protection Agency, and which received submissions from such organisations as the Victorian Chamber of Mines and the then Department of Industry, Technology and Resources.

The report states:

> Goldmining is also being exploited by a new breed of "paper miners" who make large numbers of applications for mining leases without intending to work the sites.
>
> The documents allege that the activities of a small number of paper miners overlap with criminal activities. "Paper" miners, known in the industry as "real estators", are alleged to make large profits by selling either leases or lease applications at inflated prices.
>
> Department sources believe one person made more than $5 million in this way in 1987.
>
> Most real estator activities are entirely legal, department documents say, and only a small number of real estators have been convicted of criminal offences. However, the department is concerned about the practice which has occurred because of deficiencies in the Mines Act.

For that reason the legislation has as one of its principal objectives the elimination of paper miners. They need to be eliminated because they apply in their hundreds for

leases and licences without any intention of mining. Their intention is to sell the leases to other people for profits of hundreds of thousands of dollars; at the same time, because of their excessive activities that do not lead to mining, they will tend to be a great nuisance for landholders in the mining areas. Many complaints about the activities of miners concern those who are in the business of shuffling paper.

The Opposition is very pleased the government recognises that activity is a major problem for the industry and is making greats efforts through this legislation to get rid of the real estators. I am sure the legitimate miners in Victoria also welcome that move. Because of the activities of those people, life in the department is rather difficult.

The *Age* article of 24 July 1989 further states:

> A senior department officer said in his submission to the group: "Real estators have tied up departmental resources to a major extent; delayed the processing of (mining) applications and, therefore, access to potential minerals development in this State. Thus both Victoria and potential explorers have both 'missed the bus' in the recent mining boom."

I hope the Bill is successful in that objective because we can do without those people.

This legislation comes to the House with a lot of goodwill from the community. Many groups have an interest in the outcome of this legislation. I must say that because of the nature of compromise, no-one will be completely happy. The Victorian Chamber of Mines, the Prospectors and Miners Association, the conservationists, and the department are all included; no-one is getting everything he wanted.

The professional politicians in this process have had to harness the goodwill in the community, and particularly of those who are interested in this subject and, so far as was possible, have collected a range of agreements. It is interesting that the House in which we are seated tonight was built on gold. This building was a direct result of the mineral boom of the 1850s and when you walk around the building you can determine when the money ran out because the building was never completed. Victoria has a strong and proud heritage as a mining State, yet at the moment the level of mining activity is relatively insignificant. Any measure, whether of the last century or through a comparison with other States, indicates that Victoria is not reaping the benefits of the opportunities available to us in a State which, we are told by the professional miners, is clearly very prospective.

It has been put to us by the Victorian Chamber of Mines and others that the system of regulation militates against mineral development. The system is very complex, slow and costly; I will be dealing with some of those issues later and some of the amendments we will be proposing will address themselves to those matters.

We need mineral development to be carried out in a way that is environmentally sensitive. We do not want any moonscapes that the last century presented to Victoria. One can visit Dunolly and other parts of central Victoria and see some sad legacies from the nineteenth century. Some very significant work is being done by mining companies that are rehabilitating those areas in a way that is most beneficial to the community.

During the course of discussions on this Bill I had occasion to address a number of meetings—one in Mount Beauty with Mr Evans and one in Kilmore. Also, for the first time ever I was required to wear a hard hat during the annual meeting of the Prospectors and Miners Association held several hundred feet below ground level at Bendigo. I have been to some rather rough meetings but that is the first time I have had to wear a hard hat. However, it was a very pleasant occasion.

The present system of regulation does not really encourage exploration in Victoria. We have been advised that more than twenty major mining companies have left Victoria; they have found it too difficult here and it is easier to mine in other States.

It is a competitive environment. Obviously a miner who is required to make a big investment will take into account the regulatory regime in which he is operating. Many opportunities exist for the process to be slowed down. A large mining project requires an environmental effects statement, which involves the use of panels under the Environment Effects Act. Planning approvals are then needed. They often require amendment to planning schemes, and the process can end up before a panel with a decision being made by the Minister. An application for a planning permit can be the subject of appeal to the Administrative Appeals Board. If the issue involves drainage or other matters, there may be separate hearings under the Environment Protection Act. A miner must then get approval to operate a mine.

That process can cause delays of months and sometimes years and it adds considerably to costs. With interest rates at record high levels, potential miners are often unable to wait that long. There is a general appreciation that the system must change, and the Bill changes it only in part.

I shall place on record how a coalition government will approach these issues. There must be a Statewide mining strategy, and it is interesting to note there has been some movement in that direction by the government. A Statewide mining strategy will enable one to adopt consistent principles and definitions that can be used in every planning scheme in the State. As a corollary to that process, each municipality will be required to reproduce the mine strategy in its planning schemes. That will result in some areas having mining as a right and other areas allowing mining with a permit.

On the basis of project approval, there will be public exposure of a project in all its elements. There must be one exposure to the public of all the elements and there will be one opportunity to bring together all the objections, which will be heard at one hearing by a multidisciplinary Administrative Appeals Tribunal. It is not beyond the wit of Parliament to do those things, and it is certainly my objective to achieve them. In its remaining days in office I hope the government will move along those lines.

Under the coalition proposal low-impact exploration will not require a planning permit. It will still need to go through the other processes I have mentioned, but it will not require a planning permit. During the Committee stage the Opposition will propose amendments along those lines.

One of the major stumbling blocks for early resolution of disputes is the delays with the Administrative Appeals Tribunal. The bulk of the work of the tribunal is planning applications. Last year some 4000 of those matters went before the tribunal. Only two and a half years ago it took approximately six weeks to get a matter before the tribunal but now the delays are up to seven months. Even when a matter is heard, the decision is sometimes not forthcoming for another month or two or three. Obviously the structure and operation of the Administrative Appeals Tribunal must be reformed. A report was prepared by a barrister, Mr Christopher Wren, who has made a series of recommendations about streamlining the tribunal. After assessing responses to that, I hope the government will introduce legislation to Parliament so the issues can be dealt with.

The Bill deals with complex matters. Those who have been involved in the nuts and bolts of putting it together know the Bill has been in the pipeline for a number of years. When it is passed many people will breathe sighs of relief, will go home to their families and get on with doing the things they want to do. During the Committee stage Mr Guest will move a number of amendments on behalf of the Opposition, many of

which focus on some of the more difficult issues. At that stage I shall make further comments, but I indicate now that I support the Bill.

Hon. ROBERT LAWSON (Higinbotham)—The Bill is an attempt so far as possible to reconcile the conflicting demands of landholders and miners. Farmers and graziers are interested in the surface of the land; they want the undisturbed use of the surface area, regardless of whether it is for growing crops or grazing. Miners want to dig and delve under the land to find minerals. There are conflicting needs, and the Bill is a fair attempt to establish a mechanism by which disputes can be resolved and fairness prevail between separate uses of the land.

That is embodied in clause 45 of the Bill, which sets out a number of things miners cannot do. They cannot mine within 100 metres laterally of a dwelling house, a substantial farm building, a factory and so on. I understand some changes may be made to that clause during the Committee stage.

As Mr Chamberlain mentioned earlier, mining is intimately bound up in the history of Victoria. Until gold was discovered in central Victoria in the 1850s, Victoria was no more than a small agricultural and grazing settlement. However, the discovery of gold changed that almost overnight and the population of Victoria tripled. Within a few years Victoria became an extremely rich State.

Mr Chamberlain has usurped my role as historian by pointing out that this Chamber was built as a result of the gold boom of the 1850s. If gold had not been found in Victoria, this Chamber would be a much smaller and simpler place. If gold had not been discovered, the gold leaf taken from the goldfields and used in the columns one can see in the Parliamentary Library would not be there, and the Library would be smaller and simpler. That is true of anything one cares to name in this State. Victoria's original prosperity stemmed from gold, and if it had not been for that, Victoria would have been more like South Australia—a smaller State with a less ornate capital city. Victorians have reason to be grateful to the mining industry in this State.

The Bill is an attempt to revive the mining industry in Victoria, which has been flagging lately. If it can be revived, it should be done because, frankly, Victoria needs the money. Mining is currently an important industry, and I am obliged to the Prospectors and Miners Association of Victoria for the statistics it has provided on the production of gold in Victoria. Among other things, gold production in Australia has increased sharply during the 1980s from 17 tonnes in 1980 to an expected 230 tonnes in 1990–91. However, it is now set for a decline against static or falling prices. The association says Victoria has lost the opportunity of participating in Australia's gold boom. The State currently produces 130 000 ounces—40 tonnes—of gold a year worth approximately $60 million. That is a mere 2 per cent of Australia's gold production. That is one of Victoria's major historic goldmining regions. For this reason, if no other, honourable members can see the importance of what they are doing here today.

We have received many representations from both prospectors and miners who have taken an extreme view of the matter. They want the whole Bill thrown out and open access to public lands such as parks. We have had representations from farmers who have put their points of view, and we have tried to steer a middle course between the two to come to a conclusion which is good both for farmers and prospectors as well as for Victoria.

The Bill is an experiment. We can only pass it and see how well it works. If it does not work as well as it should it will come back to this Chamber and honourable members will have to start all over again. In the meantime, I believe what we have now and what we will have after the various amendments have been moved is the best deal we can get in an imperfect world.

Hon. R. A. MACKENZIE (Geelong)—As honourable members have said, this is a long awaited Bill. In the time I have been in Parliament there have not been many Bills which have gone through the processes this piece of legislation has gone through, and rightly so. I think the processes that have been followed have been very important because this Bill carries a considerable amount of reform into an area that is fraught with difficulties and dangers and concerns the sensitivities of the people involved.

As honourable members have pointed out, there is a lot of feeling in the community regarding this Bill. There are many diverse views on it and, to their credit, the government and the Opposition have worked long and hard to get to the point we have reached tonight of going through the final stages of a measure that will bring about much needed reform. The Bill is not perfect, but what legislation is? It is up to the government to make sure it works and to keep it under review. I am sure that if the House has to come back after a few sessions and make some adjustments here and there all honourable members will accept it.

In the second-reading speech the words that really sum up the proposed legislation are the reference to:

> ... our commitment to the establishment of a legislative framework that will facilitate mining in Victoria in harmony with the State's environment protection and conservation policies now and in the 21st century.

That is a very brave statement. These days one likes to hear a few brave statements by government because that is what is needed.

There are always many concerns about a Bill such as this and I want to mention some of those concerns on behalf of the conservation movement and landholders. I want to point out why we need legislation like this by giving several examples. When a large mining concern offers the rural community employment and a range of other associated benefits which go with any large development it is very attractive and it is hard for local municipalities to resist, but we must be very careful because although these companies may make themselves out to be great corporate citizens, in many cases their record is not good. I spent a lot of time with people in the Daylesford–Hepburn Springs–Stawell areas looking at some problems associated with mining, not only from the conservation point of view but also with regard to landholders. I want to take the House quickly through what happened to a particular landholder whose property adjoins that of the Western Mining Corporation at Stawell. This small farmer was running quite a successful farm. It was reasonably highly valued and not far from town. It had a nice watercourse running through it and the farmer had goats. His wife suffered from asthma, which was one of the reasons they were living in that area, and the couple had a very pleasant lifestyle until Western Mining moved in.

Despite the farmer's objections, the company constructed a huge tailings dam right alongside his boundary near his watercourse. To his horror the tailings dam was allowed to overflow and subsequently it poisoned not only his watercourse and dam but also his stock and the following year his goats had no kids. Western Mining refused to accept responsibility and the farmer went to every State government department to get the water tested. He ended up having to go to New South Wales to get it tested because no Victorian government department would cooperate with him. When he complained to the company it shrugged its collective shoulders and said, "Prove it". The company wanted his land and he was most concerned when it built another huge tailings dam opposite his property, so he had a farm with two large tailings dams on either side. The corporation built another dam which was only 30 feet away and on a higher level than the dam where he watered his stock, so there was a danger of leaching from the dam onto his property.

The property was devalued to a great degree and the man's wife became very stressed. The day I went to meet him was the day he was packing up and moving out. The company broke him and he sold at a greatly reduced price to Western Mining and it moved onto his property. That is an example of what occurs when a little person is walked over by a large company. One hopes the Bill will do something to rectify that situation and will contain controls that will prevent that sort of thing from happening.

I visited another property at Moliagul which was brought to my attention by a concerned field naturalist. It is in the area where a company cleared land on a designated historic site. The area commemorated the birthplace of John Flynn and was where the Welcome Stranger gold nugget was found. It is on a Crown land reserve and without an authorised permit another mining company had put in a large dam. The company cut down a lot of trees and cleared a large area. Strangely enough, in that particular reserve, if one was caught picking wildflowers one would be fined $5000 and yet this company laid waste to hectares of land and with its backflow polluted the Burnt Creek which flowed into the stream, and nothing happened to the company! To my knowledge the company has still not made it good. There is something wrong. These are the types of activities and actions undertaken by mining companies that need to be addressed. I will be putting forward quite a number of amendments during the Committee stage to strengthen the Bill with regard to the environment.

Another concern expressed by Daylesford residents involves the activities of a mining company that constructed a large tailings dam supposedly to be used for mining operations in that area. The company brought tailings in from other areas and used the dam, which was designed and authorised to service tailings in one area, to wash tailings from areas some distance away. Again arsenic got into the watercourses through the overrun of that tailings dam. The overburden from the dam went across to the adjoining State forest.

At present there is a $20 000 bond paid to rehabilitate the area when the mining is completed; $20 000 will not even pay for the plants required to replant the area, let alone pay for the excavation work that must be carried out. These are just some instances where large mining companies have ridden roughshod not only over local landholders but also over nature reserves, and their activities have threatened to pollute watercourses.

The Bill is essential in that it can tighten up these practices and ensure that companies are responsible for their actions. If the Bill can do that, it will be a good thing.

Mr Evans raised the issue of what are known as real estators——

Hon. M. A. Birrell—Are you against the Bill?

Hon. R. A. MACKENZIE—I am addressing the Deputy President.

Hon. M. A. Birrell—Well, keep talking to him but tell him whether you are against the Bill!

Hon. R. A. MACKENZIE—Mr Birrell has been in the Chamber for only a short time. If he were listening he would understand what I am saying. Mr Birrell may wish to finish early tonight but many people have been waiting a long time for this Bill to be debated. Although Mr Birrell may not wish to contribute to the debate, many other honourable members do.

Hon. M. A. Birrell—Has this been passed by the Geelong Community Alliance?

The DEPUTY PRESIDENT (Hon. K. I. M. Wright)—Order! I ask Mr Mackenzie to disregard all interjections, no matter where they come from.

Hon. R. A. MACKENZIE—Thank you for your protection, Mr Deputy President. I was just referring to what another member of the coalition, Mr Evans, said in the debate. I am sure Mr Birrell would want me to support one of the coalition members. Mr Evans referred to how the proposed legislation would control the real estators. I have with me a submission by the State Mining Warden which refers to some of the illegal practices and activities of real estators. After investigations the Mining Warden found substantial evidence that many people were involved in other illegal activities, including drug running and practices whereby they were using the mining activity to launder their ill-gotten gains. The Bill is a significant initiative in that it will assist in controlling undesirable elements who get into the mining industry and give it a bad name.

The Bill has some important positive aspects. The first is that rehabilitation provisions are not discretionary. This will improve the current situation concerning the granting of a licence, regardless of conflicts involving other users and values.

It is also pleasing that provisions concerning historic mining activities will be amended. There are no provisions for eductor dredging. There is a much simplified system concerning mining titles. The current complex eleven-title system will be replaced by a straightforward two-title system covering exploration and mining licences.

Applicants for mining licences will have to demonstrate their bona fides. Companies will have to be able to prove they can finance their work programs, including rehabilitation works. That is an important step forward.

The marking-out provisions are to be improved. Miners will no longer be able to mark out land without notifying the owner or the land manager within an agreed time. If negotiations fail, the authority to enter must be issued by the department.

The grounds for compensation for private landholders has to be broadened to improve recreational land. Rehabilitation work is to be mandatory. For operations on Crown land the amounts levied will require the agreement of the Department of Conservation and Environment. Additional bonds will be required if the first bond is considered to be insufficient. The rights of the Department of Conservation and Environment to impose conditions to protect the ecology of the area for which it is responsible have been clarified. Crown land reserves can be exempted from mining. Under Governor in Council requirements that was previously possible only for small lots. It will be possible to assist the inspection of mining activities.

That is important because one criticism levelled at the department has been that it has not had the resources to do its job properly: it has not had sufficient manpower or inspectors to carry out their tasks. The criticism has been made to me on a number of occasions that inspectors are overworked and there are not sufficient numbers of them to police the job they are paid to do. I hope this measure will ensure that the departmental officers are given the resources so that the legislation has teeth.

A lot more could be said by honourable members from both sides of the House during the second-reading debate on this Bill. It is obvious that a good deal of consensus has been reached on the provisions of the Bill, although further amendments will be moved in the Committee stage. I will discuss various aspects of the Bill when that stage is reached.

I congratulate the government for introducing the Bill. I know it has been frustrating for the government that it has taken so long, but perhaps it is good that the Bill has had a long gestation. I believe it will be better legislation. In the Committee stage I shall pick up some points raised with me by different groups concerning provisions that could be included in the Bill. I look forward to participating in the Committee

stage. Again I congratulate the government on finally introducing a measure that will be of great benefit to all Victorians.

The PRESIDENT—Order! Because of certain provisions it is arguable that the Bill requires to be passed by an absolute majority and, as a matter of safety, I propose to ascertain whether such a majority exists. Before I put the question that the Bill be now read a second time I therefore direct that the bells be rung.

Required number of members having assembled in Chamber:

The PRESIDENT—Order! To enable me to determine whether an absolute majority exists, I invite honourable members supporting the carriage of the second reading of the Bill to rise in their places.

Motion agreed to by absolute majority.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—As honourable members who participated in the second-reading debate have indicated, the Bill has had a long gestation. It is appropriate to place on record the gratitude of the government for the work that has been put into the legislation. No-one would contend that in dealing with mining legislation in what is a comparatively closely settled State, relative to Queensland and Western Australia, this is a perfect piece of legislation but it is designed to encourage, in the terms in which a number of members have spoken, more mining activity than is currently the case because there are barely more than half a dozen major mining projects at present.

We would like to think that as a result of the legislation there will be a significant escalation in the number of effective commercial mining activities in the 1990s with the benefits that would bring to the economy and the jobs it would create, consistent with current expectations in regard to environmental issues and land use issues.

I pay tribute to the work of Michael Arnold in chairing a committee for at least two years in the preparation of this legislation, and officers within the department, including Keith Bowen and Peter Lisle. I also thank my Parliamentary colleague, Licia Kokocinski, in taking over some of the work that Michael Arnold was doing when he was elevated. I also thank members of the Opposition who have contributed to the debate and preparation of the legislation, including James Guest; David Evans; Bruce Chamberlain; Robert Lawson; Jim Plowman, the honourable member for Evelyn in another place; Rod Mackenzie for his recent contribution; and the contributions of various interest groups including the Chamber of Mines, the Victorian Farmers Federation, conservation groups and small miners.

It would be fair to say that not all of those groups are equally happy with the Bill or the amendments and I agree with members who said in their contributions that the legislation will be subject to change from time to time. It is universally agreed that the legislation will be amended from time to time in the future, but the outcome is in keeping with the spirit of what we endeavoured to set up in 1982, namely, legislation that would enhance the prospects for greater mining activity in this State.

I thank the people I have named not only for their contributions but also their intent in bringing it about consistent with current environmental and conservation issues

and landowners' expectations and the mining community's expectations. It is also worth putting on record that the people of Victoria have benefited from the emergence of a Chamber of Mines in this State. I look forward to the Committee debate.

Hon. R. A. MACKENZIE (Geelong)—I move:

1. Clause 2, page 2, line 9, before "mineral" insert "social and environmental effects are effectively assessed and".

It is a simple amendment that seeks to insert words that I think will improve the legislation and increase the scope of the legal framework. If the amendment is accepted, clause 2 (1) (*b*) (i) will insert the words:

social and environmental effects are effectively assessed and mineral resources are developed in ways that minimise impacts on the environment;

As well as considering the environmental effects it is important to consider the social implications of mining activities. It is an important aspect, and I think the government will agree with me that the insertion of those words will strengthen the Bill.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government has examined Mr Mackenzie's amendments and believes two of them have merit. I make that general observation as a preface to the debate and indicate to the Committee that the government will not be supporting any of Mr Mackenzie's 21 amendments. Two of the amendments have merit; one of them has been dealt with in the context of the Bill and I shall deal with it when we come to amendment No. 6.

With regard to amendment No. 1 we are of the strong view that social, economic and environmental issues have been taken into account in framing the Bill and the amendments that are before the Committee and it is not necessary, in fact it would be superfluous, to agree to the proposed amendment.

Hon. J. V. C. GUEST (Monash)—It would be useful for me to indicate at the outset that the coalition takes the same attitude as the government to Mr Mackenzie's amendments. It is a pity that in such a complex Bill we have to consider these amendments at this stage because, as the Minister has said, one or two do have merit. I think the Minister was referring to the same one I would refer to. In case I overlook it when we reach clause 44, the coalition and the government look forward to giving consideration to the first amendment to clause 44 proposed by Mr Mackenzie. Apart from that, we will not be supporting his amendments.

Hon. R. A. MACKENZIE (Geelong)—One of the difficulties we always have in the last week of a Parliamentary session is that we do not have enough time. We did not get a clean Bill until this week and I did not get the amendments from the Parliamentary Counsel until late this afternoon. I would not have expected the Opposition or the government to have had time to really consider them in the past two or three hours.

Although I understand the need of the government to proceed, it is not in keeping with true Parliamentary practice and it seems a pity that after going through the consultation process and carrying out such a lot of discussions with a vast range of people we now come to the last procedure to be finalised and the wishes and views of the many people I represent who have asked me to put those views to the Committee will be totally disregraded. It is regrettable that both the government and the Opposition have not seen fit to support not only this amendment but all of the amendments I shall propose except for the one mentioned by Mr Guest.

Amendment negatived; clause agreed to.

Clause 3

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

1. Clause 3, line 34, omit "comes" and insert "must be taken to have come".

The effect of the amendment is to repeal the eductor dredging provisions from the Mines Act from 1 November 1990.

Hon. J. V. C. GUEST (Monash)—It is convenient at this point to say that the Opposition recognises that the government before the last election announced its intention to prevent eductor dredging continuing in this State and to specifically repeal the legislation which allows it.

The fact is that eductor dredging has now been effectively stopped. The Opposition's attitude was and is that it would hold an inquiry, which the government should have held but has not, into the allegedly deleterious effect of eductor dredging to see whether it can be continued or reinstated possibly subject to some conditions. That would still be the prospect the Opposition sees when it is in government.

That is not by any means an undertaking to allow eductor dredging or even an indication that it is particularly likely but it is an indication that the Opposition believes that it should be inquired into properly. For those reasons the Opposition will accept the amendment.

Amendment agreed to; amended clause agreed to.

Clause 4

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

2. Clause 4, page 3, lines 6 to 8, omit all words and expressions on these lines and insert—

' **"Accident"** means an accident on any land on which work is being done, including an accident—

(*a*) resulting in serious injury or loss of life; or

(*b*) resulting in work time being lost by an employee because of an injury, being time lost from work of one day or more, with the day on which the injury occurred not being counted as a day lost; or

(*c*) involving a serious malfunction of any winding arrangements, treatment plant or mine buildings; or

(*d*) involving explosives; or

(*e*) involving collapse of the ground; or

(*f*) involving rock falls.'.

This alters the definition of an accident.

Hon. J. V. C. GUEST (Monash)—It is convenient at this point to say that this is a necessary part of amendments designed to ensure that the administration of the law relating to safety in mines remains firmly under the Minister who has the responsibility for the Mineral Resources Development Act. Later more detailed amendments will make clear the purport of the amendments which are needed as a preliminary to ensuring that occupational health and safety legislation, which was not specifically designed for the circumstances of mines, does not apply and, at least as important, that the expertise of people experienced in mines and mine safety be used to ensure mine safety and equally to ensure that mining is not unnecessarily interfered with by people who do not know what they are doing.

Amendment agreed to.

Hon. J. V. C. GUEST (Monash)—I move:

1. Clause 4, page 3, after line 8 insert—

' **"Agricultural land"** means private land that is used primarily for—

(*a*) cultivation for the purpose of selling the produce of the cultivation; or

(*b*) keeping animals or poultry for the purpose of selling them or produce derived from them; or

(*c*) keeping bees for the purpose of selling their honey; or

(*d*) commercial fishing; or

(*e*) the cultivation or propagation for sale of plants.'.

This is one of four amendments designed to achieve a single basic purpose. The amendments are 1, 2, 4 and 9 standing in my name.

The CHAIRMAN—Order! Mr Guest may foreshadow the reasons for those amendments now, if he wishes.

Hon. J. V. C. GUEST—Amendment No. 1 initially defines agricultural land and that provides a basis for the subsequent amendments which set up a system of statements of economic significance which must be provided by applicants for mining licences over agricultural land so that where in the end it has to be concluded that it would be better for the State and its economy that agricultural purposes be pursued rather than mining that is likely to happen. The further mechanism is to allow the landowner to object to the statement of economic significance and then to have an independent valuer or expert—which is the correct expression—appointed by the President of the Australian Institute of Valuers and Land Administrators to report and ultimately give the Governor in Council the basis for making a decision one way or the other when it is objected that agriculture would continue to be a better purpose economically than mining.

Hon. D. M. EVANS (North Eastern)—This provision in the Bill is important because it goes some way towards covering the concerns expressed by the farming community and the Victorian Farmers Federation over a long period. It does not go as far as they would have wished but it goes a considerable way to covering their concerns that mining not be at the expense of good, efficient agricultural operation.

It gives the landowner a special right to object to the issue of the mining licence in a case where there is some concern that while there may be a short-term benefit from mining the long-term benefit to the community of obtaining fully productive agricultural land is more important. Amendment No. 4 requires that a miner must show the economic worth of a mine which means that a farmer cannot be set aside from his land under the provisions of other sections of the Act unless the mining operation and the mineral deposits are of real value in the community.

I guess to a certain extent it also militates against the real estators operation, which is of considerable concern to the Opposition and the government.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government does not oppose the amendment, which as Mr Evans and Mr Guest have said, will establish a new category of agricultural land, access to which for mining would be subject to a statement of economic significance, with arbitration of conflicting land use issues being conducted by an independent arbitrator, and recommendation to the Governor in Council, whose decision is final. The government does not oppose the amendment.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

3. Clause 4, page 3, line 25, before "Economic" insert "Office of".

The amendment recognises a change in the name of the department.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

4. Clause 4, page 3, line 28, after "public" insert ", a licensee or an applicant".

The amendment clarifies that a licensee or an applicant is not prevented from bringing a dispute with a chief administrator or an officer of the department to the Mining Warden. As currently drafted the definition of "dispute" could be read as preventing this. The inability of disputes over Ministerial decisions to be brought before the warden remains unchanged.

Amendment agreed to.

Hon. J. V. C. GUEST (Monash)—I move:

2. Clause 4, page 3, line 43, omit "or tribunal" and insert ", a tribunal or an expert".

It is part of the series of four amendments that I mentioned earlier.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

5. Clause 4, page 4, lines 1 and 2, omit "for the purpose of determining the feasibility of establishing a mine".

It is an amendment to the definition of "exploration", which is necessary to accommodate the changes to be made by amendment No. 26, which provides for the use of an exploration licence as a retention title.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

6. Clause 4, page 4, line 22, omit "120" and insert "100".

The amendment reduces the depth limit of land affected from 120 metres to 100 metres. Land affected is currently defined as the surface of the land and down to a depth of 120 metres. This limit is ultraconservative and it is proposed to reduce the depth limit to 100 metres. Mining below this depth is considered unlikely to have any surface impact.

Work on land affected is able to be compensated for. Damage to land not covered by the definition is still able to be compensated for under clause 85 provided loss or damage is a consequence of work under a licence.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

7. Clause 4, page 5, line 7, omit "chief administrator" and insert "Director-General".

This means that all references to "chief administrator" as defined in the Conservation, Forests and Lands Act 1987 will be changed to "Director-General".

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

8. Clause 4, page 5, line 11, omit "section 15 (5)" and insert "sections 15 (5) and 20 (1)".
9. Clause 4, page 5, line 15, omit "section 15 (5)" and insert "sections 15 (5) and 20 (1)".
10. Clause 4, page 5, line 20, omit "section 15 (5)" and insert "sections 15 (5) and 20 (1)".

They simplify the procedure for obtaining consent to enter Crown land for the purpose of marking out an application.

Amendments agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

11. Clause 4, page 5, lines 20 and 21, omit "chief administrator" and insert "Director-General".

12. Clause 4, page 6, line 42, before "Economic" insert "Office of".

Amendment No. 11 is consequential on amendment No. 7, and amendment No. 12 is consequential on amendment No. 3.

Amendments agreed to; amended clause agreed to; clause 5 agreed to.

Clause 6

Hon. J. V. C. GUEST (Monash)—I move:

3. Clause 6, line 32, after "place" insert ", to the extent of any terms of the declaration in force under the *Aboriginal and Torres Strait Islander Heritage Protection Act* 1984 of the Commonwealth (as amended and in force from time to time)".

Again this is the first of a series of amendments, Nos 3, 5, 6 and 15 to 19. They are all designed to achieve simplification, a means of overcoming conflict between Federal and State legislation, the general saving of administrative time to the State, mining companies and others, and cost savings. It relates to Aboriginal places.

These places are of concern to Aboriginal people and have been dealt with because of the action taken by the now Attorney-General. Some years ago after the introduction of three Bills to Parliament he requested the Commonwealth to legislate and take control of the protection of what may conveniently be called "Aboriginal places".

As a result there is perfectly adequate legislation, the Aboriginal and Torres Strait Islander Heritage Protection Act 1984, which provides not only an adequate means of protection from mining for places of concern to Aboriginal people but also overrides any State legislation. For that reason the Opposition will introduce a series of amendments to ensure that only one set of laws apply.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government does not oppose the amendment.

Amendment agreed to; amended clause agreed to; clause 7 agreed to.

Clause 8

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

13. Clause 8, lines 23 and 24, omit all words and expressions on these lines and insert "or do work or carry out any activity on any land unless the person—

(*a*) acts in accordance with a licence, a miner's right, a tourist fossicking authority or a tourist mine authority; or

(*b*) benefits from a relevant minerals exemption.".

The amendment clarifies the rights of the holder of a minerals exemption. It provides that the holder needs no other authority to search for minerals or to do work on land covered by the exemption.

The amendments were suggested by Parliamentary Counsel as necessary for precision and consistency, and I am grateful to the Parliamentary draftsman, Eamonn Moran, for that advice.

Hon. J. V. C. GUEST (Monash)—I am grateful that the point I made in conversation—and it was not idle conversation—has been taken up to some extent by the addition of the words "or a tourist mine authority".

However, I am not sure that the amendment will do what it is intended to do. The clause is supposed to prevent work being carried out on any land unless a person acts in accordance with a licence and so on. "Work" within the meaning of this clause is not work as defined in the definition section of the Bill which relates to work done under a licence.

This is just work in the ordinary dictionary sense. In other words, it might include the retimbering of an old mine so that it can become a tourist mine. That retimbering does not appear to be covered simply by inserting the word "activity" and I do not believe there is anything in the provisions of this Bill relating to tourist mine authorities which actually authorise work. Therefore, to be quite sure that it will work, this subclause ought to read, where material:

> acts in accordance with a licence, a miner's right, a tourist fossicking authority, or for the purpose of a tourist mining authority.

Perhaps it is not necessary to make a last-minute amendment now. If the Minister would confirm that it is clearly the intention to ensure that it is lawful for a person to do certain work—as in the typical example I gave of retimbering an old mine for the purpose of a tourist mine—no doubt in practice, at least until the next set of amendments, no serious practical difficulty would arise.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I am advised that the amendment I have moved does what Mr Guest intends by the inclusion of the word "activity" in the preamble to the amendment, which states:

> Clause 8, lines 23 and 24, omit all words and expressions on these lines and insert "or do work or carry out any activity on any land unless the person——

In regard to a tourist mine authority we use the expression "activity" as opposed to "work", so what Mr Guest is seeking to achieve is achieved by the amendment I have moved.

Hon. J. V. C. GUEST (Monash)—I am indebted to the Minister for the explanation. I had noticed the inclusion of the word "activity" in the amendment. I believe it is sailing very close to the wind, but I do not wish to pursue the matter further.

Amendment agreed to; amended clause agreed to; clause 9 agreed to.

Clause 10

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

> 14. Clause 10, line 10 after "11" insert ", or unless a minerals exemption is current in respect of them".

The amendment provides that the minerals in tailings are the property of the holder of a minerals exemption which covers him. I shall just explain in the same context that my amendment No. 15 provides that the property in minerals in respect of which a minerals exemption is current remains with the holder of an exemption irrespective of removal from the land. Although the Committee has not yet come to amendment No. 15, which deals with clause 11, I wanted to put the explanation of my amendment No. 14 in the context of amendments Nos 13 and 15.

Amendment agreed to; amended clause agreed to.

Clause 11

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

15. Clause 11, after line 18 insert—

"(3) Sub-section (2) does not apply to minerals in respect of which a minerals exemption is current.".

Amendment agreed to; amended clause agreed to.

Clause 12

Hon. R. A. MACKENZIE (Geelong)—I move:

2. Clause 12, lines 20 to 24, omit the expression beginning "in accordance" and ending "if not" and insert "at the prescribed rate or, if there is no rate prescribed, at the rate".

The amendment strengthens clause 12 in regard to royalties. I believe it would be stronger if the rate were prescribed in that way.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government opposes the amendment.

Hon. J. V. C. GUEST (Monash)—The Opposition is concerned that there should be in the administration of clause 12 and its variable possibilities continuity and some certainty in the mining industry. There is much to be said for the view that the word "consultation" in clause 12 (*a*) should be replaced by the word "agreement", but the Opposition takes the view that for the time being the clause may be allowed to stand as it is and that there are no immediate problems that have to be resolved now. We do not support the amendment proposed by Mr Mackenzie.

Hon. D. M. EVANS (North Eastern)—In discussions in which I was involved the mining industry was very concerned, particularly in the case of renewal of a licence for a right to mine, that there could be a variation in the royalty rate at that time and that the miner or the mining industry in the case of a valuable mining operation could be held over a barrel.

What we were seeking from the Minister was an assurance that the variations would be fair and reasonable and that there would be some degree of continuity. At this stage we believe it is an area where amendment may well be necessary, and to some extent that gives the amendment moved by Mr Mackenzie a greater degree of respect, although it may not answer exactly what is wanted at this stage.

Certainly the mining industry is most concerned to have assurances from the Minister that in his negotiations and agreement and his government's view there will be continuity with regard to the variations that may be imposed from time to time.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I am happy to give that assurance. Obviously the spirit of this legislation is to get economic activity to occur. If the royalties were too prohibitive or there was too much uncertainty or prohibition, the investment would not occur. I am more than happy to give an assurance that the intent of that clause in particular and its implementation is to create a setting in each case that encourages an investment and in turn sends a message to other prospective investors as a result of what occurred in a particular case that Victoria is a prospective place for miners to invest.

In other words, if we created an unsatisfactory setting in the provision of royalties that discouraged a particular project, that would send an adverse message to the rest of the mining community in Victoria and prospective miners interstate and overseas. Quite clearly that is not our intent; that is not the spirit of the legislation. Therefore I am happy to give that assurance.

Amendment negatived; clause agreed to; clause 13 agreed to.

Clause 14

Hon. R. A. MACKENZIE (Geelong)—I move:

3. Clause 14, line 17, omit "20" and insert "15".

This amendment alters the period for mining licences, which is currently twenty years. The amendment reduces the period to fifteen years because many people believe twenty years is a long time for a licence to be held and fifteen years is a more appropriate period.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government does not support the amendment. As honourable members would be aware, we have increased the duration of extractive industries licences from fifteen to thirty years to encourage certainty in that industry. In this clause of the Bill we are saying that the period of the licence should not exceed twenty years; that means it can be up to twenty years, which effectively accommodates the point made by Mr Mackenzie.

The reason consideration should be extended to twenty years is that the government wants to encourage a circumstance where there is a degree of certainty for the prospective life of a mine, which may well exceed twenty years, but at least there is certainty around that period. If the government did not extend the period some projects may not occur.

Western Mining Corporation has a major project at Stawell. The initial exploration took place during the 1930s, but it has only been since the 1980s that a prospective commercial venture has developed. The gestation from the initial exploration, the mining activity and the ultimate return on that mining activity, taking into account the history of the mining industry, can be lengthy and a period of not more than twenty years is not excessive.

I foreshadow that, rather than go back to fifteen years, it may be necessary for the period to be extended for major projects so that the number of years is increased rather than reduced. At this stage the government believes twenty years is satisfactory.

Amendment negatived; clause agreed to.

Clause 15

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

16. Clause 15, page 11, line 1, after "it" insert "in accordance with the regulations".

The amendment provides for the standard method of notification of owners and occupiers of land when application for a mining licence has been made over that land. The amendment clearly ensures a common notification for all owners and occupiers.

Amendment agreed to.

Hon. R. A. MACKENZIE (Geelong)—I move:

4. Clause 15, page 11, after line 10 insert—

"( ) An applicant for a licence must supply to the Minister with the application documents showing the results of a survey of the condition of the land affected and of the vegetation present on that land, including notice of any rare species present.".

Clause 15 provides for the application for a mining licence and subclause (6) sets out certain conditions that must be satisfied before the Minister will grant the application. The amendment will insert a provision that ensures that a survey is conducted of the land affected and of the vegetation present.

I ask the Committee to seriously consider the amendment. Its terms are similar to those that apply to timber harvesting. When applications are made to harvest timber in new forest areas a biological survey is undertaken before logging occurs to ensure that endangered species are not placed under threat. It is surprising how many rare species are contained in small areas of land. In the Geelong area there is a parcel of land of less than 2 square kilometres which contains the only habitat of the small blue butterfly. There is an area of land in Bannockburn that is smaller again which is the only known area to contain a particular sun orchid.

The amendment proposes that the applicant for a licence must ensure that the area to be explored does not contain endangered species because otherwise considerable damage to or destruction of an area could occur. The government and the Opposition should support this conservation measure because it will ensure the protection of the environment and make the applicant responsible for a survey to ensure that rare species of animals or plants are not endangered.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government opposes the amendment because it is part of the normal planning process that an environment impact statement is issued and, therefore, the amendment is not neccessary.

Hon. J. V. C. GUEST (Monash)—The Opposition does not support the amendment. Speaking for myself, and I believe for most members of the Opposition, the amendment would add yet another provision without teeth and would encourage mining people who want to be paper millionaires to employ someone of dubious morality to produce a paper that would distort the provisions. Acts of Parliament already contain too many provisions that are well meaning but rely, unfortunately, too heavily on the pervasive honesty of those wishing to make money.

Amendment negatived.

Hon. J. V. C. GUEST (Monash)—I move:

4. Clause 15, page 11, after line 22 insert—

"(10) An applicant for a mining licence over agricultural land that is not owned by the applicant must also—

(*a*) lodge with the application a statement of the economic significance of the proposed work; and

(*b*) give a copy of the statement to the owner and occupier of the land affected within 7 days after being notified under sub-section (3) (*b*) or (4) that the application has priority.

(11) An owner or occupier who is given a copy of the statement must not divulge or communicate to any person (other than a professional advisor retained by the owner or occupier) or publish any information contained in the statement unless the divulgence, communication or publication is made with the written consent of the applicant.

Penalty: 100 penalty units.

(12) A professional advisor to whom any information is divulged or communicated under sub-section (11) must not divulge or communicate that information to any person (for any purpose other than advising the owner or occupier), or publish it.

Penalty: 100 penalty units.

(13) A statement of economic significance must—

(*a*) contain an assessment of the benefits to Victoria of the proposed work, including employment and revenue considerations; and

(*b*) apportion the economic significance between any properties that are in different ownership.

(14) An owner of land may dispute a statement of economic significance on the ground that there would be greater economic benefit to Victoria in continuing the use of the land as agricultural land than in carrying out the proposed work.

(15) An owner of land who disputes a statement of economic significance must, within 30 days after receiving a copy of the statement under sub-section (10) (*b*), give notice in writing to—

(*a*) the applicant; and

(*b*) the President of the Australian Institute of Valuers and Land Administrators; and

(*c*) the Minister.

(16) As soon as possible after receiving notice under sub-section (15), the President must appoint a person who is appropriately qualified, in the President's opinion, to act as an independent expert to consider the statement of economic significance.

(17) The independent expert must consider the statement of economic significance and any submissions made by the owner of the land and the applicant, and must, within 60 days after his or her appointment, report to the Governor in Council as to whether there would be greater economic benefit to Victoria in continuing the use of the land as agricultural land than in carrying out the proposed work.

(18) The decision of the Governor in Council, after considering the report, as to the relative economic significance of the proposed work and of continuing the existing use of the land is final and binding on the applicant and the owner of the land.

(19) The President of the Australian Institute of Valuers and Land Administrators, after considering the advice of the independent expert, may direct that the applicant or the owner of the land shall pay the whole or any part of the reasonable fees and expenses of the independent expert.".

This important amendment is one of a group of amendments and is designed to ensure that a statement of economic significance is prepared and that validity be tested if necessary in relation to agricultural land. I direct the Committee to one matter of concern involved in the development of the amendment. A provision for costs is contained in the amendment because without the provision the whole process might flounder as a person nominated as an independent expert to make a report would be unwilling to act if he did not know who would pay him. Proposed sub-clause (19) states that the President of the Australian Institute of Valuers and Land Administrators, after considering the advice of the independent expert, may direct the applicant or the owner of the land to pay the whole or any part of the reasonable fees and expenses of the independent expert. That formulation of words was recast by Parliamentary Counsel and I am instructed it will be sufficient to create a debt if the president gives such direction.

It has been suggested that the onus for the payment of costs should be put on the applicant for the licence if the landowner has not been unreasonable in making an objection. The amendment is designed to protect people with substantial agricultural investment. It is not a matter on which the Opposition has a clear view because it has arisen at a late stage. If the government were disposed to change the onus in relation to costs, that would not be a difficulty. However, as things stand, there is provision for costs to ensure that the measure works.

Hon. B. A. CHAMBERLAIN (Western)—I support this significant amendment which has had a long gestation and results from the discussions that have taken place with all interested parties, particularly the Victorian Farmers Federation, which took the view, through its president, Mr Arbuthnot, that there should not be an automatic granting of mining licences, but that proof should be provided there was greater benefit in the licence being granted when compared with the continuing existing activity. We have some of the most productive agricultural land in Victoria and we have the most efficient farmers.

Hon. T. C. Theophanous—The most productive in Australia!

Hon. B. A. CHAMBERLAIN—In Victoria we have farmers who are most productive against any measure. It was believed that it would be unfair to cast aside an efficient farming operation if the replacement industry—that is the mineral-winning industry—was not more efficient given the dislocation caused to the individual farmer.

After a series of meetings over a long period with vigorous advocacy from the president and officers of the Victorian Farmers Federation, this provision was constructed by my colleague, Mr Plowman, the honourable member for Evelyn in another place and others working with him. It is an important provision that has grown like Topsy. Originally it was to be a modest amendment but it has now a number of layers, beginning firstly with the lodgment by the applicant of a statement of economic significance of both the mining operation and its alternative. Proposed subclause (13) states:

(13) A statement of economic significance must—

(*a*) contain an assessment of the benefits to Victoria of the proposed work, including employment and revenue considerations; and

(*b*) apportion the economic significance between any properties that are in different ownership.

It is possible that the applicant could gild the lily. There is provision for an assessment to be disputed by a property owner and for that dispute to be dealt with by a independent expert. The expert can then make a report to the Governor in Council. It is a complex provision that will be required in only a few cases because the history of mining in Victoria shows that agreement is generally reached between the miner and the landowner on a whole package of issues.

If there is agreement to sell the land it is not a problem, but the amendment provides for a fall-back position. The position has been constructed over a long period and I hope it will be a workable scenario. I believe it can be made to work in those few cases where it will be necessary.

It gives assurance to the property owner, particularly farmers, that their economic productivity will not be interrupted by a mining operation that is only marginally profitable and in the long term may not have the same benefit to the community as the continuation of farming on the property. It is an important provision and I pay tribute to those who have helped to mould it in this form.

Hon. D. M. EVANS (North Eastern)—The amendment, as Mr Chamberlain, has indicated has had a long history. It goes back to the beginning of the negotiations for a new Act. It had its genesis in the proposals by the Victorian Farmers Federation for a landowners' veto when it was clear that the landowners' veto would not be forthcoming under the agreement of Parliament for a number of reasons, including the fact that it would have effectively given all the privileges of ownership of the the minerals to the landowner when mineral ownership had been expressly given to the State.

A fall-back position was discussed, which included the possibility of a landowner having an additional right of objection to the granting of a mining licence. Considerable negotiation took place between the VFF and the Victorian Chamber of Mines not so much on the principle that there should be some additional provisions for landowners, but on the conditions under which the provision should be activated. There are other provisions that enable a landowner to object to certain other grants and to have that objection examined, and a judgment made in the specific area of economic objections. This is a complex procedure. There must be a full economic statement.

The Committee will note the confidentiality provision contained in the amendment and the severe penalties that apply to those who breach those provisions. Provision is made for an independent arbitrator, apart from the Minister, who may make a judgment on the landowners' case.

The amendment, with the exception of subclause (16) to which my colleague Mr Guest has referred, has been a matter of step by step, inch by inch, negotiations

between the VFF and the Victorian Chamber of Mines. Indeed they were two most competent and determined groups.

The amendment has the support of all the parties concerned. It is a most important step forward for landowners. Indeed it has considerable additional benefits in making a judgment on the economic value of a mining operation, and to the community it does contain the possibility of making a long-term judgment on whether mining or farming operations has the better value for the community. Indeed, it may have a further benefit which has not previously been canvassed, and that is to ensure that if there is a doubt as to the long-term benefit of the mining operation or vis-a-vis the farming operation or some other operation, it puts additional pressure on the rehabilition and the return to productive capacity on the land.

It is an excellent provision. It is part of a package agreement under which it was agreed that the mining industry should have facilitated the granting of mining licences, particularly if there was some degree of fast track or one-stop shopping in order that the frustration factor could be removed from this area. It is part of a complex package which will benefit landowners. I strongly support the amendment.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—On behalf of the government I support the words expressed by Mr Evans and particularly I indicate that Mr Chamberlain clearly expressed the reasons for the amendment, which adds significantly to the quality of the legislation and its resolution, the vexed issue of mining interests versus the economic agricultural interest. I hope in the execution of the clause and in its application justice can be done to the work that has been done in both its conception and its presentation to the Committee.

Amendment agreed to; amended clause agreed to; clauses 16 and 17 agreed to.

Clause 18

Hon. J. V. C. GUEST (Monash)—I move:

5. Clause 18, line 4, for "advise" substitute "give notice of the application to—

   (*a*)".

6. Clause 18, lines 6 and 7, omit all words and expressions on these lines and insert "*Act* 1972; and

   (*b*) any person or body nominated in relation to the application by the Minister to whom a power has been delegated under section 21B of the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* of the Commonwealth (as amended and in force from time to time).".

The amendments are part of the scheme that I have already outlined that will ensure conformity to Federal requirements for the protection of Aboriginal places.

Amendments agreed to; amended clause agreed to; clause 19 agreed to.

Clause 20

Hon. J. V. C. GUEST (Monash)—I move:

7. Clause 20, line 20, omit "(*a*)".

8. Clause 20, line 22, omit all words and expressions on this line and insert "—

   (*a*) the applicant has been unable to contact the owner or occupier; or

   (*b*) the owner or occupier has refused or failed to consent.".

The amendments will correct matters that were ill-drafted for the purposes of the other place and they will firm up what we believe to be the intention of the clause.

Amendments agreed to; amended clause agreed to; clauses 21 to 23 agreed to.

Clause 24

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

17. Clause 24, line 31, omit "office of the registrar" and insert "principal office of the Department".

This is a minor amendment.

Amendment agreed to.

Hon. R. A. MACKENZIE (Geelong)—I propose to move an amendment to include a subclause (4) in clause 24. I apologise to the Minister and to members of the Opposition, but this matter has been brought to my attention only——

The CHAIRMAN—Order! To make the matter clear, Mr Mackenzie is proposing to move a verbal amendment.

Hon. R. A. MACKENZIE—I move:

Clause 24, page 13, line 33, insert—

"(4) A person who objects may request the Minister to refer the objection to the Mining and Environment Advisory Committee for consideration before determining the application.".

The addition of the subclause would benefit objectors because their objections would not be heard only by one person—that is, the Minister. With due respect to the Minister, objectors should be able to have objections referred for a ruling to an advisory committee comprising experts. The inclusion of the subclause would provide a backup for the Minister enabling him to refer objections to the advisory committee.

In short the amendment would be advantageous both to objectors and to the Minister, especially because it is often hard for the Minister to determine such objections by himself or herself. The amendment has been suggested to me by landholders and their representatives, and I believe it is sensible.

Hon. D. M. EVANS (North Eastern)—The matter has been the subject of a great deal of discussion, especially as it concerns the additional rights of landowners, a matter I referred to during the debate on an amendment moved by Mr Guest.

If one examines one of the functions of the Mining and Environment Advisory Committee as set out in clause 49 (1) (*d*), which is "to investigate, and to report and make recommendations to the Minister on, any matter referred to it by the Minister", one finds that the content of Mr Mackenzie's amendment is covered—and I note the use of the word "may" in his amendment. Although there is merit in his amendment, it is clear that reference to the matter is included in the Bill. Mr Mackenzie has directed the matter to the attention of the Committee and the community and emphasises the importance of the provision. As I said, the issue raised in Mr Mackenzie's amendment has been covered in the Bill and it would make the Bill tautologous if the Committee were to agree to it.

Amendment negatived; amended clause agreed to.

Clause 25

Hon. J. V. C. GUEST (Monash)—I move:

9. Clause 25, page 14, line 24, after "tenderer" insert "; or

(*h*) if, after considering an expert's report under section 15, the Governor in Council has decided that there would be greater economic benefit to Victoria in continuing the use of the land as agricultural land than in carrying out the proposed work".

This is the fourth leg of amendments dealing with statements of economic significance and all that goes with them.

Amendment agreed to; amended clause agreed to.

Clause 26

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

18. Clause 26, line 23, omit "rents or".

The amendment provides that rent on a mining licence will be set by regulation rather than by licence condition. The effect is that the amendment will ensure that a standard rental charge will be made for all mining leases.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

19. Clause 26, after line 29 insert—

"(4) It is a condition of a mining licence that the licensee pays rent, in accordance with the rate or method of assessment and at the times prescribed.".

This amendment is consequential.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

20. Clause 26, line 30, omit "(5)" and insert "(6)".

21. Clause 26, line 35, omit "(4)" and insert "(5)".

22. Clause 26, line 40, omit "(5)" and insert "(6)".

Amendments agreed to.

Hon. R. A. MACKENZIE (Geelong)— I move:

6. Clause 26, after line 41, insert—

"(8) The Minister must make sure that the adequacy of any conditions imposed on a licence (other than those referred to in sub-section (3)) is reviewed at the end of every 5 year period during which the licence is in force.".

In his opening remarks the Minister said the legislation will be subject to review, which is a good procedure to adopt with this clause, especially, to see how the licences are operating. I believe it is very important to conduct such a review every five years; and for that reason I believe the amendment should be supported by the Committee.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The amendment moved by Mr Mackenzie has merit, although I believe it is not appropriate to support it at this time, because clause 34 states in part:

34. (1) The Minister may after consultation with the licensee, by instrument served on the licensee, vary a licence, or vary or suspend a condition of a licence or add a new condition but the Minister cannot vary the period for which a licence has effect.

The Minister will have the capacity to vary the licence for a number of reasons that are set out in the clause. The government will monitor the effectiveness of the clause to see whether it is working and, if not, whether it would be appropriate to consider amending it by the insertion of the amendment proposed by Mr Mackenzie. In other words, we will follow the effectiveness of the clause without his amendment; and if it is found that the amendment will increase the effectiveness of the provision we will consider it if and when the legislation requires further amendment.

The CHAIRMAN—Order! In the circumstances, I ask Mr Mackenzie whether he still wants me to put his amendment to the Committee.

Hon. R. A. MACKENZIE (Geelong)—I accept the Minister's assurance. I think the Bill would be better if my amendment were agreed to; but as the Minister said, the

crux of it is covered to some degree by clause 34. I appreciate the Minister's taking on board the issue.

Amendment withdrawn by leave; amended clause agreed to; clauses 27 and 28 agreed to.

Clause 29

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

23. Clause 29, line 21, after "expires" insert "(whether within the time limit specified in sub-section (1) or not)".

24. Clause 29, line 22, after "granted" insert "and registered".

Amendment No. 23 provides that a late application for renewal of a licence can be extended with a proviso. Amendment No. 24 is to clarify that a licence the subject of an application for renewal prior to the date of expiration continues in operation until the renewal is registered. The amendment is necessary because licences run from the date of registration, not the date of granting. The government thinks this helps provide more certainty for the mining industry.

Amendments agreed to; amended clause agreed to; clauses 30 and 31 agreed to.

Clause 32

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

25. Clause 32, line 26, omit "after the date of the renewal".

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

26. Clause 32, line 28, omit all words and expressions on this line and insert "years unless the Minister decides otherwise—

(*a*) because he or she is satisfied that the licensee has identified minerals in the land covered by the licence and that—

(i) additional time is necessary to assess the economic viability of mining those minerals; or

(ii) it is not at present economically viable to mine those minerals but it may become so in the future; or

(*b*) for any other reason.".

This amendment provides for continuation of an exploration licence beyond five years where a licensee has discovered a mineral deposit but is unable to work it for good and valid reasons.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

27. Clause 32, after line 28 insert—

"(3) The renewal of a licence takes effect on the anniversary of the registration under this Act of the initial licence."

Amendment agreed to; amended clause agreed to.

Clause 33

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

28. Clause 33, line 36, after "(6)" insert "(*a*) to (*d*)".

Amendment agreed to; amended clause agreed to.

Clause 34

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

29. Clause 34, line 20, after "area" insert "; or

(*d*) in any other circumstances that are prescribed".

This amendment gives the Minister power to vary a licence for prescribed reasons.

The CHAIRMAN—Order! Mr Mackenzie has an amendment relating to the same clause and may like to take the opportunity of putting his reasons for the amendment before I put the Minister's amendment to the Committee.

Hon. R. A. MACKENZIE (Geelong)—It was a consequential amendment on a previous amendment that was not accepted. I shall not proceed with my amendment.

Amendment agreed to; amended clause agreed to; clauses 35 and 36 agreed to.

Clause 37

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

30. Clause 37, line 3, after "writing" insert "in a form approved by the registrar".

Amendment agreed to; amended clause agreed to.

Clause 38

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

31. Clause 38, line 32, after "(6)" insert "(*a*) to (*d*)".

Amendment agreed to; amended clause agreed to.

Clause 39

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

32. Clause 39, line 19, omit "insurance approved" and insert "public liability insurance for an amount determined".

This amendment specifies the type of insurance that is required. A licensee is required to be insured and the amendment specifies the insurance should be public liability insurance.

Amendment agreed to; amended clause agreed to.

Clause 40

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

33. Clause 40, after line 24 insert—

"(2) If—

(*a*) an applicant for an exploration licence indicates in the application that the program of work referred to in section 15 (6) (*c*) will be the work plan for the licence; and

(*b*) that program of work complies with sub-section (3); and

(*c*) the relevant code of practice does not require a rehabilitation plan—

then on the grant of the licence the applicant must be taken to have lodged that program of work as the work plan under sub-section (1).".

This amendment is to simplify the application process for an exploration licence and thereby save an applicant unnecessary repetition.

Amendment agreed to.

Hon. R. A. MACKENZIE (Geelong)—Amendment No. 8 standing in my name also relies on a previous amendment that has been rejected by the Committee and I shall not be proceeding with it.

Hon. R. A. MACKENZIE (Geelong)—I move:

9. Clause 40, line 32, omit "1 month" and insert "2 months".

The amendment changes the time from one month to two months. It has been put to me by a number of people that one month is insufficient time for the chief administrator to carry out the following approval.

Amendment negatived.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

34. Clause 40, line 33, after "lodged" insert "(or, if sub-section (2) applies, within 1 month after the grant of the licence)".

This amendment is consequential upon amendment No. 33.

Amendment agreed to.

Hon. R. A. MACKENZIE (Geelong)—I move:

10. Clause 40, after line 38 insert—

"(4) If the chief administrator decides that a work plan cannot for any reason be dealt with within the time applicable under sub-section (3), he or she must before that time expires notify the licensee of the decision and of the reasons for it.

(5) The licensee may apply to the Administrative Appeals Tribunal for review of the chief administrator's decision under sub-section (4)."

I think this amendment is fairly self-explanatory and provides another avenue for justice to prevail for people who have another avenue to plead a case. The amendment is put to ensure everyone has a fair go. I believe the amendment will improve the legislation.

Amendment negatived; amended clause agreed to.

Clause 41

Hon. R. A. MACKENZIE (Geelong)—I move:

11. Clause 41, line 3, after "administrator" insert "and give notice of the proposed variation to the owner or occupier of any land affected by it".

12. Clause 41, after line 4 insert—

"( ) An owner or occupier who receives notice under sub-section (1) may lodge a written objection to the proposed variation within 28 days after receiving notice.".

Amendment No. 11 will improve the legislation. I think it is fairly self-explanatory, as is amendment No. 12.

Amendments negatived.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

35. Clause 41, line 13, omit "chief administrator" and insert "Director-General".

Amendment agreed to; amended clause agreed to.

Clause 42

Hon. R. A. MACKENZIE (Geelong)—I move:

13. Clause 42, page 22, lines 6 and 7, omit all words and expressions on these lines.

The amendment proposes to omit paragraph (4) (*a*). In many ways it provides a way out if it is left in there, but it should be deleted.

Amendment negatived; clause agreed to.

Clause 43

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

36. Clause 43, line 28, omit "21 days' notice to".

37. Clause 43, line 29, after "(i)" insert "21 days' notice to".

38. Clause 43, line 30, after "(ii)" insert "21 days' notice (or any shorter period agreed between the licensee and the owners and occupiers of the land affected) to".

These three amendments allow landowners to agree to a period of less than 21 days notice being given by the holder of an exploration licence for access to their land. It allows for the rolling nature of work on an exploration licence where 21 days notice might be unduly prohibitive, if a landowner is prepared to accept something less than that.

Amendments agreed to.

Hon. J. V. C. GUEST (Monash)—I move:

10. Clause 43, page 23, after line 6 insert—

"(3) Despite anything in the *Planning and Environment Act* 1987, or in any planning scheme, which requires a permit to be obtained for or prohibits a use or development of land, the holder of an exploration licence is not required to obtain a permit to carry out, or is not prohibited from carrying out (as the case requires)—

(*a*) geological surveying; and

(*b*) geochemical surveying; and

(*c*) geophysical surveying; and

(*d*) drilling of a hole not more than 250 millimetres in diameter; and

(*e*) digging of a trench not wider than 150 millimetres and not deeper than 1 metre—

on the land covered by the licence if the chief administrator notifies the applicant that those activities may be carried out.

(4) The chief administrator may only notify an applicant under sub-section (3) that activities may be carried out if he or she is satisfied that access and the carrying out of those activities require only—

(*a*) minimal disturbance to the land; and

(*b*) minimal disturbance to, or removal of, vegetation."

This deals with a situation where the holder of an exploration licence has gone through the hoops to make an application, prepared a work plan and has been subject to possible objections and has to provide compensation under certain conditions. The amendment will allow him without a permit to engage in low impact exploration of the kinds set out in the amendment, such as geological surveying, geochemical surveying, geophysical surveying and drilling of a hole not more than 250 millimetres in diameter and digging a trench not wider than 150 millimetres and not deeper than 1 metre, on the assumption that the chief administrator is satisfied that the access required by the exploration licenceholder and the carrying out of the activities require only minimal disturbance to the land and minimal disturbance or removal of vegetation. In all those circumstances it extends the notion of the Minister being a planning authority, thereby streamlining the process of moving towards ultimate mining of any valuable resources Victoria may have by allowing the chief administrator to form a judgment that it is a case for allowing very minimal disturbance to take place in accordance with the criteria set out in the amendment.

It is envisaged by the Opposition that in due course the code of conduct will give guidance to the chief administrator and that the code of conduct itself will be open to public suggestion as to its contents and to review by the Parliament. Accordingly, the Opposition is satisfied that this slight streamlining of the planning process in the case of low impact exploration will not present any threat to the environment.

Amendment agreed to; amended clause agreed to.

Clause 44

Hon. R. A. MACKENZIE (Geelong)—I move:

14. Clause 44, lines 8 to 32, omit all words and expressions on these lines and insert—

"44. (1) A licensee who proposes to do work on land—

(*a*) that is nominated under section 7 (1) of the *Crown Land Reserves Act* 1978; or

(*b*) that is a water supply catchment for the purposes of Part III of the *Soil Conservation and Land Utilization Act* 1958—

must obtain the consent of the chief administrator (as defined in the *Conservation, Forests and Lands Act* (1987).".

If one considers the eight different bodies that a licensee might have to approach, I am suggesting here that it could be done by permission of the chief administrator as defined under the Conservation, Forests and Lands Act. I shall be interested to see what arguments will be advanced by the government or the Opposition to that amendment.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The amendment certainly has merit in terms of simplification, but the government cannot accept it at this stage because it is not sure of the consequential or unforeseen effects that might occur as a result of this simplification in relation to various committees of management and so on.

The government is happy to take it on board for future reference and to study it carefully in the same context I mentioned before. I anticipate there will be further amendments of the legislation and the government will study the proposed amendment carefully.

Hon. J. V. C. GUEST (Monash)—The Minister has expressed the Opposition's attitude also.

Amendment negatived.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

39. Clause 44, line 29, omit "chief administrator" and insert "Director-General".

Amendment agreed to.

Hon. R. A. MACKENZIE (Geelong)—I move:

15. Clause 44, lines 34 to 37, omit all words and expressions on these lines.

This amendment is consequential on negotiating with the other parties. I seek leave to withdraw it.

Amendment withdrawn by leave.

Hon. J. V. C. GUEST (Monash)—I move:

11. Clause 44, page 24, line 9, after "(3)" insert "—

(*a*) must not be unreasonably withheld; and

(*b*) ".

12. Clause 44, page 24, after line 10 insert—

"(5) A person or body whose consent is sought under sub-section (1), (2) or (3) must, within 90 days after the consent being sought, grant that consent (whether subject to conditions or not) or refuse to consent.

(6) A person or body that does not comply with sub-section (5) must be taken to have consented.

(7) A person or body that refuses to consent under sub-section (1), (2) or (3) must, within 7 days after the decision to refuse, give the licensee a statement in writing of the reasons for the decision.".

13. Clause 44, page 24, line 21, after "decision" insert "—

(*a*) by a person or body under sub-section (1), (2) or (3)—

(i) to refuse to consent; or

(ii) to consent subject to conditions; or

(*b*) ".

14. Clause 44, page 24, line 21, omit "(5)" and insert "(8)".

The Opposition, like Mr Mackenzie, has seen scope for reducing the cumbersomeness of clause 44. It has turned its mind to ensuring that dilatoriness on the part of those who have a duty to consent or otherwise act under that clause does not get in the way of desirable activities by those exploring or wishing to mine in this State. All the amendments are directed to ensuring businesslike behaviour and results. There do not appear to be any conflicting interests in this case; everybody is interested in efficiency.

Amendments agreed to; amended clause agreed to.

Clause 45

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

40. Clause 45, line 25, after "(2)" insert ", (3) or (4)".

Amendment agreed to.

Hon. J. V. C. GUEST (Monash)—I move:

15. Clause 45, page 25, line 5, omit all words and expressions on this line.

I foreshadow amendments Nos 16 to 19. As I said before, they are all part of the amendments dealing with the provisions relating to the protection of Aboriginal places.

Amendment agreed to.

Hon. R. A. MACKENZIE (Geelong)—I move:

16. Clause 45, page 25, after line 5 insert—

"(xiv) any habitat of any taxon or community that is determined under section 20 (1) of the *Flora and Fauna Guarantee Act* 1988 to be critical to the survival of the taxon or community; or

(xv) any land that is the subject of a covenant in relation to the preservation of wildlife, native plants, bushland, trees or rock formations under section 3A of the *Victoria Conservation Trust Act* 1972.".

Protection is provided for a range of different sites, including cemeteries and Aboriginal sites. Members of the conservation movement maintain that the subclauses should be inserted. They are in line with the government's commitment under the Flora and Fauna Guarantee Act. I have seen mining activities conducted in an area reserved specifically as a flora and fauna area and witnessed the enormous damage done. Such activity flies in the face of the government's guarantee. The amendment will ensure the protection of such areas along with other sites, from which mining activities must

be kept at a distance of at least 100 metres. The amendment is moved to conserve what could be valuable flora and fauna—that is, native plants and bushland and animals—that are of some significance.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government opposes Mr Mackenzie's amendment on the ground that the Flora and Fauna Guarantee Act provides the protection he is seeking without a need for a specific reference in the Bill.

Amendment negatived.

Hon. J. V. C. GUEST (Monash)—I move:

16. Clause 45, page 25, line 6, omit "below any area prohibited by paragraph (*a*) (xii) or (xiii), or".

This is another amendment to protect Aboriginal places.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

41. Clause 45, page 25, line 7, omit "120" and insert "100".

The amendment is consequential on amendment No. 6

Amendment agreed to.

Hon. J. V. C. GUEST (Monash)—I move:

17. Clause 45, page 25, line 7, omit "other".

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

42. Clause 45, page 25, line 11, omit "affected" and insert "on which anything referred to in subsection (1) (*a*) (i) to (v) is situated".

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

43. Clause 45, page 25, line 12, omit "(i) to (v)" and insert "in relation to that thing".

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

44. Clause 45, page 25, line 12, omit "120" and insert "100".

Amendment agreed to.

The CHAIRMAN—Order! Before the Minister moves his amendment No. 45, I point out to the Committee that a connection exists between that amendment and Mr Guest's amendment No. 18. Both amendments seek to insert new subclauses in the same place. Mr Guest should move his amendment as an amendment to the Minister's amendment.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

45. Clause 45, page 25, after line 12 insert—

"( ) A licensee may—

(*a*) with the consent of the Historic Buildings Council in respect of a building that is specified in the Register of Historic Buildings or the Register of Government Buildings; and

(*b*) with the consent of the Australian Heritage Commission in respect of a building that is specified in the Register of the National Estate; and

(*c*) with the consent of the responsible authority in respect of a building that is specified as a notable building or as a building of significance in a planning scheme—

do work within the area that is prohibited in relation to that building by sub-section (1) (*a*) (xi) or within 100 metres below that area.".

Hon. J. V. C. GUEST (Monash)—As an amendment to amendment No. 45 moved by the Minister, I move:

18. Clause 45, page 25, after line 12 insert—

"( ) A licensee may, with the consent of any person or body nominated under section 18 (*a*) in relation to the application for the licence, do work within the area prohibited by sub-section (1) (*a*) (xii) or within 100 metres below that area".

The amendment also forms part of the substance of the series of amendments designed to provide for the protection of Aboriginal places through the Federal legislation.

Mr Guest's amendment on amendment agreed to; amended amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

46. Clause 45, page 25, line 13, after "(2)" insert ", or a person or body that consents under sub-section (3) or (4),".

The amendment is consequential on amendment No. 40.

Amendment agreed to.

Hon. J. V. C. GUEST (Monash)—I move:

19. Clause 45, after line 15, insert—

"( ) A licensee must not do any work in an area that is an Aboriginal place if the doing of that work would contravene any terms of the declaration in force under the *Aboriginal and Torres Strait Islander Heritage Protection Act* 1984 of the Commonwealth (as amended and in force from time to time).

Penalty: 100 penalty units."

The amendment forms the last part of the series of amendments relating to Aboriginal places.

The CHAIRMAN—Order! I inform the Committee that Mr Guest's amendment No. 19 should have the words "page 25" inserted after "Clause 45". I presume the Committee would want the schedule amended accordingly.

Hon. J. V. C. GUEST (Monash)—I move accordingly.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government agrees with the amendment.

Mr Guest's amendment on the amendment agreed to.

Hon. D. M. EVANS (North Eastern)—I make some brief general comments on clause 45, particularly subclause (1) (*a*) (x), where reference is made to the word "cemetery". I have always felt some concern about work being undertaken in the vicinity of a cemetery. A high level of discretion, commonsense and humanity must be exercised when such work is undertaken. I understand the Minister has responsibility in that area and can set aside the 100-metre rule, particularly laterally so far as a cemetery is concerned. I direct attention to the matter as it would be wrong if any Minister were to allow work to be undertaken in the area of a cemetery, where the remains of the people buried there could be disturbed in any way.

I am aware that Victorians in particular and Australians in general take precise precautions in respect of Aboriginal burial places, but I am not quite so sure we pay the same respect to the cemeteries and burial places of our own people. I have seen

some horrendous results from this lack of respect. My concern is that the same protection be given to the cemeteries of our own people.

Amended amendment agreed to; amended clause agreed to.

Clause 46

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

47. Clause 46, line 17, omit "on" and insert "after considering".

48. Clause 46, line 19, omit "(*a*)" (where first occurring).

49. Clause 46, line 20, omit "120" and insert "100".

50. Clause 46, line 20, omit "; or".

51. Clause 46, lines 21 to 23, omit all words and expressions on these lines.

52. Clause 46, line 27, after "(1)" insert ", or with the consent of a person or body under section 45 (3) or (4),".

53. Clause 46, lines 29 to 34, omit all words and expressions on these lines.

Amendments agreed to; amended clause agreed to; clauses 47 to 49 agreed to.

Clause 50

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

54. Clause 50, page 27, line 4, omit "Victoria" and insert "Victorian".

The amendment corrects a typographical error.

Amendment agreed to; amended clause agreed to; clauses 51 to 54 agreed to.

Clause 55

Hon. J. V. C. GUEST (Monash)—Mr Chairman, I think it is possible, is it not, to move amendments Nos 20, 21, 22 and 23 at the same time? These are related, as are subsequent amendments, to those affecting clause 59, namely my amendment No. 27, referring to the desirability of allowing private landowners to exercise miners rights on their own land for private owners or occupiers or people they invite onto their land.

The effect of the Opposition's amendments is to give private landowners a control subject, of course, to the other provisions relating to miners rights which very properly give control over the exercise of a miners right and the obtaining of it, to prevent undue damage to that land. Consequently, I move:

20. Clause 55, line 18, omit all words and expressions on this line and insert—

"

(*a*) private land (other than land covered by a mining licence) with the consent of the owner or occupier; or

(*b*) Crown land, other than—".

21. Clause 55, line 19, omit "(*a*)" and insert "(i)".

22. Clause 55, line 22, omit "(*b*)" and insert "(ii)".

23. Clause 55, after line 22 insert—

"(2) A consent granted under sub-section (1) (*a*) by an owner or occupier may be—

(*a*) granted subject to conditions; and

(*b*) withdrawn at any time by the owner or occupier.".

It is desirable in many cases that the occupier does have the same rights as an owner who is perhaps not an occupier. There may be some residual problems about owners

and occupiers having different views about whether consent should be given or withdrawn. However, on the professional advice of Parliamentary Counsel, which I am certainly not prepared to act against at this stage, my amendments refer to both "owner" and "occupier".

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government accepts the amendments. Their purpose is to allow the holder of a miners right to search on private land with the consent of the landowner or occupier. No such provisions exist in the Act. The amendments would legalise a current widespread practice. In accepting the amendments, which are of benefit to hobby prospectors, the government is not in any way opening up the possibility of exploration or mining on private land being subject to a veto by landowners. I make that clear in accepting the amendments.

Hon. B. A. CHAMBERLAIN (Western)—This is an important provision. It seems an anomaly that it was not in the existing law. It was suggested to the Opposition by, I think, Mr Billinghurst, President of the Prospectors and Miners Association, and willingly taken up by the Opposition because it seems to make sense that the owners of the surface of the land at least should have some rights to be involved in this industry. It is a right which is exercised by himself or to others to whom he gives permission.

It is a sensible addition to the law of Victoria and I understand what the Minister says about not creating a precedent of an owner's veto; certainly the Opposition does not support that. It so happens in this form that the consent of the owner is required to take advantage of this fairly limited provision.

Hon. D. M. EVANS (North Eastern)—It is worth noting that this corrects an anomaly under the Act under which it would appear that a person could not exercise a miners right on his own property but also it is clearly necessary to note to the Committee and to those who may read the debate on this issue that it refers only to a miners right or a tourist mining authority, and therefore does not affect major operations but only mining operations using hand-held tools.

It is important to note for those farmers who may read the debate that it provides to the landholders a veto, at least in the particular case of a prospector using a miners right where the landowner's permission must be obtained and can be withdrawn, although of course it is not the general veto on all mining which they originally sought.

Amendments agreed to; amended clause agreed to.

Clause 56

Hon. J. V. C. GUEST (Monash)—At this point it is appropriate to invite the Minister to say whether miners rights will be accessible as those interested in obtaining them say they ought to be, not just from the chief administrator but from police stations, courthouses, mining shops or at the very least, through forms that can be sent to the chief administrator. They should be readily available. Will the Minister give an assurance?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government will have regard to what the honourable member has said about distributing application forms.

Clause agreed to.

Clause 57

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I invite the Committee to vote against this clause.

Clause negatived.

Clause 58

Hon. J. V. C. GUEST (Monash)—I move:

24. Clause 58, line 31, omit "Crown".

This is a consequential amendment.

Amendment agreed to; amended clause agreed to.

Clause 59

Hon D.R. WHITE (Minister for Industry and Economic Planning)—I move:

56. Clause 59, line 9, before "A" insert "(1)".

Amendment agreed to.

The CHAIRMAN—Order! The effect of carrying the Minister's amendment is to supersede amendment No. 25 to be moved by Mr Guest.

Hon. J. V. C. GUEST (Monash)—I move:

26. Clause 59, lines 10 to 12, omit all words and expressions on these lines and insert—

"accompanied by the holder to search for minerals—

(*a*) with the consent of the owner or occupier, on the private land (other than land covered by a mining licence unless with the consent of the licensee); or

(*b*) on the Crown land (other than land exempted under section 6 or 7 and, unless with the consent of the licensee, land covered by a mining licence)—

that is specified".

I think I am able to move amendments Nos 26 and 27——

The CHAIRMAN—Order! It is possible for Mr Guest to move only amendment No. 26 at this time because the Minister has an amendment between his amendments Nos 26 and 27.

Hon. J. V. C. GUEST—The purpose of both is to extend the provisions which now relate to exercising a miners right on private land; to the exercise of a tourist protection authority on private land so that owners occupying and those invited onto the land can have the benefit of it.

Amendment agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

57. Clause 59, after line 13 insert—

"( ) A tourist fossicking authority is current for the time, not exceeding 2 years, specified in the authority."

The amendment provides a term of two years for a tourist fossicking authority.

Amendment agreed to.

Hon. J. V. C. GUEST (Monash)—I move:

27. Clause 59, after line 13 insert—

"(2) A consent granted under sub-section (1) (*a*) by an owner or occupier may be—

(*a*) granted subject to conditions; and

(*b*) withdrawn at any time by the owner or occupier.".

Like amendment No. 23 in relation to miners rights the amendment assures the owner or occupier, as the case may be, complete sovereignty over the conditions and gives

the right to withdraw consent in relation to the exercising by others of miners rights, in this case, tourist fossicking authorities, subject to the general provisions of the part and subject to the issuing of a tourist fossicking authority.

Amendment agreed to; amended clause agreed to; clause 60 agreed to.

Clause 61

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

58. Clause 61, lines 22 and 23, omit "chief administrator" and insert "Director-General".

Amendment agreed to; amended clause agreed to; clauses 62 to 68 agreed to.

Clause 69

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

59. Clause 69, line 34, after "record" insert "in the register".

60. Clause 69, line 34, after "contained in" insert "—(i)".

61. Clause 69, lines 35 and 36, omit "and any other information" and insert—

" ; and

(ii) any other document".

62. Clause 69, line 36, omit "or document".

63. Clause 69, lines 38 and 39, omit "or the record the date of registration or recording" and insert "and in the register the date and time of registration.".

64. Clause 69, page 32, line 2, omit "use in the register" and insert "registration".

Amendments agreed to; amended clause agreed to.

Clause 70

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

65. Clause 70, line 11, after "sub-paragraph" insert "(xiv), (xv) or".

66. Clause 70, after line 11 insert—

"( ) A document referred to in section 69 (2) (*a*) (xiv) or (xv) is ineffective for creating, assigning or affecting any interest in or conferred by a licence, or for the devolution of a licence or any interest in or conferred by a licence, until it is registered.".

67. Clause 70, after line 17 insert—

"( ) A licence or renewal when registered is not invalid only because of any defect or irregularity (other than one resulting from fraud) in any application or process leading up to the grant or renewal of the licence.".

68. Clause 70, line 18, after "documents" insert "relating to the same licence".

69. Clause 70, lines 20 and 21, omit all words and expressions on these lines.

Amendments agreed to; amended clause agreed to; clauses 71 to 73 agreed to.

Clause 74

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

70. Clause 74, line 19, omit "the part of".

71. Clause 74, line 20, omit "that is referred to in section 69 (2) (*b*)".

Amendments agreed to; amended clause agreed to; clauses 75 to 77 agreed to.

Clause 78

Hon. J. V. C. GUEST (Monash)—I move:

28. Clause 78, after line 17 insert—

"(4) The owner of land may request the licensee to enter into a written agreement as to the rehabilitation plan.".

The provision has been requested by the Victorian Farmers Federation and it makes it clear the owner of land may request the licensee to enter into a written agreement as to the rehabilitation plan. That clarification is important, and the Opposition supports the amendment.

Hon. D. M. EVANS (North Eastern)—I indicate support for the amendment. It is a wise provision.

Amendment agreed to; amended clause agreed to.

Clause 79

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

72. Clause 79, line 30, omit "chief administrator" and insert "Director-General".

Amendment agreed to; amended clause agreed to.

Clause 80

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

73. Clause 80, page 35, lines 1 and 2, omit "chief administrator" and insert "Director-General".
74. Clause 80, page 35, line 5, omit "(3)" and insert "(4)".
75. Clause 80, page 35, line 14, omit "chief administrator" and insert "Director-General".

Amendments agreed to; amended clause agreed to; clause 81 agreed to.

Clause 82

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

76. Clause 82, lines 34 and 35, omit "chief administrator" and insert "Director-General".

Amendment agreed to.

Hon. R. A. MACKENZIE (Geelong)—I move:

17. Clause 82, line 39, omit "likely to be".

Although the amendment is small it is important and seeks the deletion of three words. The clause refers to the return of bonds to the licensee after rehabilitation of the site. Currently the clause provides a bond will be returned when the director-general is satisfied the land has been rehabilitated and the rehabiliation is likely to be successful.

I wish to omit the words "likely to be". If they are not omitted, an enormous loophole will be created. Someone could have his bond returned if the land appeared likely to be rehabilitated. I have seen so-called rehabilitation around mining sites, and it is for that reason I am anxious to see the amendment passed. Bonds should be returned only when rehabilitation has been done successfully. I strongly urge the Committee to support the amendment.

Hon. D. M. EVANS (North Eastern)—Although I understand the reasons Mr Mackenzie has put forward the amendment, I direct his attention to clause 83, which provides that the Minister may carry out rehabilitation. That provides not only that if rehabilitation has not been successful the Minister may carry it out but also the Minister may order the person who did the mining to carry out the rehabilitation. If

that order is not carried out, the Minister may then carry out the rehabilitation and sue for the costs.

Clauses 82 and 83 must be read in conjunction. The concerns expressed by Mr Mackenzie are adequately covered in a practical sense by clauses 82 and 83. I also direct attention to the fact that clause 83 can be activated by the landowner concerned if that appears to be necessary.

Hon. R. A. MACKENZIE (Geelong)—I agree with Mr Evans. One could read it that way, I suppose. Once the bond is returned that will be the finish of it; one will never get it back. Clause 82 deals with taking action before the bond is returned.

Amendment negatived; amended clause agreed to; clauses 83 and 84 agreed to.

Clause 85

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

77. Clause 85, page 37, line 9, after "(1)" insert "—

(*a*) must, if it is necessary for the owner or occupier of land to obtain replacement land, take account of the reasonable incidental expenses incurred in obtaining and moving to that land; and

(*b*)".

Amendment agreed to.

Hon. R. A. MACKENZIE (Geelong)—I move:

18. Clause 85, line 34, omit "private".

This is another one word difference and relates to compensation payable by the licensee to the owner. I am moving the amendment to remove the word "private" and have "occupier of land" because there are many instances of people operating on leasehold land. Crown land that is leased is not owned and it is not private land but nevertheless it is occupied by somebody—a lessee—and removing "private" land and having "land" there covers that fact.

There are many leasehold properties throughout Victoria that will not be covered unless the word is deleted. I would be interested to hear the Minister's response to that and what he intends to do about lessees.

Hon. D. M. EVANS (North Eastern)—On that particular question I believe Mr Mackenzie has raised an interesting point because I have done a quick check on the use of the word "private". It does not seem to be defined in this Bill. I am not sure where else it is defined. Usually the words "freehold" or "leasehold" land or terms of that nature are used. The word "private" appears to be anomalous and I wonder whether other words should not be used in this case. It could have quite serious repercussions on any land so far as compensation is concerned. I do not think that is what Mr Mackenzie was referring to but I believe the word "private" is not defined anywhere, and it needs to be defined. Perhaps the Minister will give me a response on that. I do not believe "private land" is defined anywhere in the Bill.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—In the definitions clause it states that "private land" for the purposes of the Act means any land which is not Crown land which is defined in the Act.

Hon. R. A. MACKENZIE (Geelong)—I would like an explanation from the Minister in the case of compensation. Are leaseholders entitled to compensation?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—In response to Mr Mackenzie, I am advised that compensation is payable by the licensee to the owner or occupier of private land for the purposes of this legislation. Private land

means—it is defined in the front of the Bill—any land that is not Crown land, and the compensation is confined to an owner or occupier. Clearly "the occupier" in the normal course of events would be reasonably understood to cover circumstances where a person occupies the land. It does not specifically say a lessee, but it means someone other than an owner who is using that land, so it does provide compensation beyond the owner or occupier.

Hon. R. A. MACKENZIE (Geelong)—I seek further clarification. As the Minister would know, hundreds if not thousands of farmers are on leasehold properties and that is Crown land, but it is not defined anywhere else in the Act. We have protection for Crown land reserves, other aspects of State forests and other Crown land, but there is no protection there for leasehold owners. I am querying that to make sure they are protected and have that compensation available to them.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—A lessee of private land is entitled to compensation and a lessee of Crown land is not. That is what we have indicated so it is an owner or occupier or lessee of private land but not a lessee on Crown land.

Amendment negatived.

Hon. R. A. MACKENZIE (Geelong)—I move:

19. Clause 85, page 37, line 14, after "payable" insert "annually to the owner or occupier of private land, at a rate amounting to the prescribed percentage of the value of the minerals extracted from the".

This is consequential on the previous amendment so I will not proceed with it.

Amendment negatived; amended clause agreed to.

Clause 86

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

78. Clause 86, line 27, after "85" insert "which is not the subject of a registered compensation agreement.".

79. Clause 86, lines 30 and 31, omit ", unless a registered compensation agreement provides otherwise".

Amendments agreed to; amended clause agreed to; clauses 87 to 93 agreed to.

Clause 94

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

80. Clause 94, line 41, after "regulations" insert "and any other relevant legislation".

Amendment agreed to; amended clause agreed to; clause 95 agreed to.

Clause 96

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—In anticipation of the matter to be raised by Mr Guest, the government shares the view of the Opposition expressed in another place that the important role of mining warden should be carried out without fear or favour, and gives an undertaking that any appointment to a position of Mining Warden will be based on the appointee's experience, expertise and independence, which is the assurance sought in another place.

Clause agreed to; clauses 97 to 104 agreed to.

Heading to Part 12

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

81. In the heading to Part 12, before "ENFORCEMENT" insert "SAFETY AND".

Amendment agreed to.

Clause 105

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I invite honourable members to vote against the clause. This amendment deletes the clause, which requires reporting in accordance with the Occupational Health and Safety Act.

Clause negatived.

Clauses 106 to 108 agreed to.

Clause 109

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—In anticipation of Mr Guest's concerns, which were raised by the Opposition in the other place, the clause maintains the existing statutory protection for persons injured in an accident in a mine and reflects the provisions contained in section 370 of the Mines Act 1958.

Historically, mining has been viewed as a dangerous occupation and where accidents have occurred there have been difficulties in establishing the cause, particularly where collapse has occurred, because of the danger involved in investigating the cause. Accordingly, it has been argued that strict liability should apply to the employer so far as negligence is concerned. This principle of reversing the onus of proof in these situations has long been accepted.

Hon. J. V. C. GUEST (Monash)—The Opposition takes note of the Minister's explanation.

Clause agreed to.

Clause 110

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

83. Clause 110, lines 25 and 26, omit all words and expressions on these lines and insert—

'( ) In this section—

"licensee" includes the holder of a tourist fossicking authority or a tourist mine authority;

"work" includes anything that the holder of a tourist fossicking authority is entitled to do under that authority.'.

Amendment agreed to; amended clause agreed to; clauses 111 to 113 agreed to.

Clause 114

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

84. Clause 114, after line 35 insert—

"( ) Sub-section (1) does not apply to plant brought onto land in connection with the rehabilitation of the land.

( ) The Minister may direct the former licensee to remove plant referred to in sub-section (2) and if the former licensee does not do so within the period of 6 months after the giving of that direction, the plant becomes the absolute property of the Crown at the end of that period of 6 months.".

85. Clause 114, line 39, omit "(2)" and insert "(4)".

86. Clause 114, lines 40 and 41, omit all the words and expressions on these lines.

Amendments agreed to; amended clause agreed to.

Clause 115

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

87. Clause 115, lines 20 and 21, omit all words and expressions on these lines.

88. Clause 115, line 22, omit "(*b*)".

Amendments agreed to; amended clause agreed to; clauses 116 to 123 agreed to.

Clause 124

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

89. Clause 124, line 12, after "Licences" insert "and renewals of licences".

Amendment agreed to; amended clause agreed to; clause 125 agreed to.

Clause 126

Hon. J. V. C. GUEST (Monash)—I have already explained the Opposition's attitude to the repealing of provisions which allowed eductor dredging to occur, and what the Opposition's attitude is now and will be in the future. That explanation can be found at the commencement of the Committee stage.

Clause agreed to; clause 127 agreed to.

Clause 128

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I ask the Committee to vote against the clause.

Clause negatived.

Clauses 129 and 130 agreed to.

New clause AA

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

91. Insert the following new clause to follow clause 56—

Grant or refusal of miner's right

"AA. (1) The chief administrator must refuse an application if he or she believes on reasonable grounds that the applicant is—

(*a*) likely to search for minerals on land referred to in paragraph (*a*) or (*b*) of section 55 (1); or

(*b*) unlikely to comply with section 58.

(2) Otherwise, the chief administrator must grant the application."

Hon. B. A. CHAMBERLAIN (Western)—Earlier today I made a perhaps unkind reference to the paper shufflers in the mining industry. At this stage it is appropriate to refer to an important sector of the mining industry generally called the small miners. The new clause moved by the Minister reinforces the miners right which has been known traditionally but not in the same form as previously.

The part-time miner, the weekend miner and the amateur fossicker have all played a significant part in the development of mining in this State. Often they are the advance troops for the major players. Often they are the leads to the finding of major deposits in the State. They have a proud tradition in the history of mining in Victoria, so the Opposition welcomes provisions that enable their activities to continue.

Hon. J. V. C. GUEST (Monash)—The Opposition welcomes the amendment moved by the Minister. If the government had not moved the amendment, the Opposition was prepared to move it because without the provision there would not be a miners right. In the sense that there was anything to which the miners were entitled under the Act it would have been in the nature of a discretionary privilege. I pay tribute, among others, to Mr Billinghurst, who is well known to those who have played some part in the development of the legislation, for his persistence in bringing to the notice of all concerned, including members of the Parliament, the importance of provisions in the

Bill that would have denied the traditional miners right to small miners, prospectors and fossickers.

New clause agreed to.

New clause BB

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

92. Insert the following new clause before clause 106—

Occupational health and safety

"BB. (1) A licensee must—

(*a*) make provision in accordance with the regulations for the occupational health and safety of people doing work under the licence; and

(*b*) make provision in accordance with the regulations for the safety, health and convenience of members of the public in relation to work done under the licence; and

(*c*) record and report the occurrence of an accident in accordance with the regulations.

(2) The *Occupational Health and Safety Act* 1985 does not apply to—

(*a*) any place in which work is being done under a licence; or

(*b*) any person who is doing work under a licence; or

(*c*) any person who employs (whether under a contract of employment or apprenticeship) another person to do work under a licence.".

New clause agreed to.

New clause A

Hon. R. A. MACKENZIE (Geelong)—I move:

21. Insert the following new clause before clause 112—

Social and environmental considerations

"A. The Minister or chief administrator, when making any decision under this Act relating to—

(*a*) an application for a licence; or

(*b*) the approval of a work plan; or

(*c*) any variation in the conditions of a licence; or

(*d*) any variation in a work plan—

must consider the social and environmental effects of the decision.

The provision is taken straight from page 97 of the government's conservation strategy, which calls for consideration to be given on all decision-making processes. I am simply asking the government to abide by its own policies and its conservation strategy. I ask the Committee to accept new clause A because in the circumstances it is appropriate that the social and environmental factors should be taken into consideration on decisions of this nature. All I am asking is for the government to accept new clause A which relates directly to its conservation strategy.

New clause negatived.

Schedule 1

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

93. Schedule 1, page 62, item 16, omit paragraphs (*a*) and (*b*) and insert—

'(*a*) for "paragraph (*a*), (*b*), (*c*) or (*d*)" substitute "paragraph (*b*) or (*c*)"; and

(*b*) after "1958" insert "or being used in connection with work being done under licence within the meaning of the *Mineral Resources Development Act* 1990".'

94. Schedule 1, page 64, item 25, omit paragraphs (*a*) and (*b*) and insert ", after "1958" insert "or in connection with work being done under a licence within the meaning of the *Mineral Resources Development Act* 1990" ".

95. Schedule 1, page 65, omit item 33.

Amendments agreed to; amended schedule agreed to.

Schedule 2

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

96. Schedule 2, page 66, clause 2 (3) (*b*), after "renewed" insert "(subject to sub-clause (12))".

97. Schedule 2, page 67, clause 2 (7), omit "26 (4)" and insert "26 (5)".

98. Schedule 2, page 67, clause 2 (9), omit paragraph (*b*) and insert—

"(*b*) if the application was for the first or third renewal of the former licence, section 30 applies as if the grant of the new licence was the first or third renewal (as the case requires) of the former licence.".

99. Schedule 2, page 67, after clause 2 (11) insert—

"( ) Despite sub-clause (3) (*b*), when a former title is renewed as provided for in this Schedule, the Minister may approve the continued operation of any underground workings, surface workings or open cut operations that were, immediately before the commencement of this sub-clause, in operation in accordance with the former title.

( ) A person who continues any operation with the approval of the Minister under sub-clause (12) is not guilty of an offence under section 45 (1) in respect of that operation.".

100. Schedule 2, page 68, omit clause 13.

Amendments agreed to; amended schedule agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That the report be now adopted.

I thank the Chairman of Committees, the Clerks and *Hansard* for allowing us to continue after what was the normal supper time.

Motion agreed to.

Reported to House with amendments.

Third reading

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That this Bill be now read a third time.

In doing so I thank honourable members for their support of the measure and for their conduct during the Committee debate. I believe Mr Guest wishes by leave to make a brief contribution to the third reading.

Hon. J. V. C. GUEST (Monash) *(By leave)*—I shall say something that I might have appropriately said when clauses 70 and 71 were being considered by the Committee; nonetheless the matter I raise is important to the working of the entire legislation.

I draw attention to the fact that no interest in mining licences or exploration licences can be created or dealt with in any way except in writing, which is the effect of clauses 70 and 71. It seems no interest can be created even in equity until an instrument in approved form evidencing the creation, assignment or other dealing is actually registered. The contrast between that situation and what occurs under the Titles Act

is apparent. An interest can be created in any event, even in land, by means other than a formal approved document; and the interest can be protected by caveat.

In this case one knows there will be nothing like the volume of transactions that occur in relation to interest in land in general, and no doubt the department will be assiduous in assuring proper registration and approval for all purposes. Nonetheless it could well be that security for the purposes of finance may be held up because an appropriate document is not available or cannot be registered at the time it is wanted, possibly because of some emergency. Nor can some interest be conveyed even from one person to his brother-in-law, for example, or from one company to another that proposes to go into a joint venture.

The requirement that the forms of the document be approved suggests there may be a considerable inhibition on the variety and useful ingenuity of the forms of interest in property that can be utilised. They could be unnecessary inhibitions to the development of mining activity in the State, and I hope they will be considered by the government as they will certainly be by the Opposition.

The PRESIDENT—Order! I remind honourable members that, in accordance with previous rulings, an absolute majority is required for the third reading of this Bill. I therefore direct that the bells be rung.

Required number of members having assembled in Chamber:

Motion agreed to by absolute majority.

Read third time.

ADJOURNMENT

Powers of Minister for Industry and Economic Planning—First aid training for schoolteachers

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

> That the House do now adjourn.

Hon. B. A. CHAMBERLAIN (Western)—The matter I direct to the attention of the Leader of the House concerns the confusion that has arisen concerning a statement made by the Minister for Planning and Urban Growth about the appointment of the Minister for Industry and Economic Planning as a planning authority for the operations of extractive industries.

The Minister will recall that I raised the matter with him in the House on 13 November, and the Minister responded by saying:

> As a result other sections of the community are interested in seeing whether the extractive industries could be put in a similar category. At this stage the government has not reached a view about the merits of that proposal.

I remind the Minister that he has been appointed as a planning authority under a warrant from the Department of Planning and Urban Growth, and that that warrant is in operation. I ask the Minister to clarify what he meant by what he said. Did he mean that he has the power but does not intend to exercise it, or that he is still considering whether he will exercise the power?

Hon. R. A. MACKENZIE (Geelong)—I direct a matter to the attention of the Minister for Education concerning problems associated with the lack of trained teachers with first aid qualifications. I understand government schools are supposed to adhere to a formula stipulating that a certain number of teachers per head of school population

should have first aid qualifications. A number of schools in my electorate do not have teachers with such qualifications, a dangerous situation considering the number of accidents that occur in the schoolyard.

The problem appears to be that if teachers wish to gain these qualifications they have to do so in their own time and are not granted time to attend first aid classes. Teachers are not paid any additional salary or receive other reimbursements if they acquire first aid skills and, as the Minister probably well knows, they are required to undertake refresher courses in first aid from time to time.

Will the Minister look into this serious situation? If a similar situation occurred on the factory floor I am sure there would be a walkout because under occupational health and safety regulations qualified first aid people must be available in case of accidents. It is most important in the case of schoolchildren that there are trained staff available at every school. Will the Minister look at the situation to see if something can be done or some scheme can be introduced to ensure there are trained first aid officers available at schools in the correct proportion to the number of students?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—In response to Mr Chamberlain, it is correct that an opportunity has arisen for the Department of Industry and Economic Planning to act as a planning authority in respect of extractive industry permits. The department is considering, in relation to about three or four applications, whether it is appropriate in terms of resourcing and planning that it should act as a planning authority for extractive industries. I hope it will reach a view about that before the end of the year.

Hon. B. A. Chamberlain—Does that apply to Gisborne?

Hon. D. R. WHITE—It includes Gisborne and Whittlesea. My department wishes to talk further with the Department of Planning and Urban Growth in a professional sense about whether that power should stay with the department for all such extractive industry issues, for some or for none. We are still considering that offer from the Department of Planning and Urban Growth.

Hon. B. T. PULLEN (Minister for Education)—Mr Mackenzie raised a question regarding first aid qualifications of teachers. I assure Mr Mackenzie the Ministry of Education considers the safety of schoolchildren a very high priority and I believe the issue is well in hand. In particular, in relation to the matter he raises I will seek further information and provide it to him.

Motion agreed to.

House adjourned 12.32 a.m. (Thursday).

Joint Sitting of the Legislative Council and the Legislative Assembly

Wednesday, 28 November 1990

Deakin University
La Trobe University
Victorian Curriculum and Assessment Board

Honourable members of both Houses assembled at 6.15 p.m.

The CLERK—Before proceeding with the business of this joint sitting it will be necessary to appoint a President of the joint sitting.

Mr ROPER (Treasurer)—I move:

That the Honourable Alan John Hunt, MLC, President of the Legislative Council, be appointed President of this joint sitting.

Mr STOCKDALE (Brighton)—I second the motion.

Motion agreed to.

The PRESIDENT (Hon. A. J. Hunt)—I thank honourable members for the confidence reposed in me and I direct the attention of honourable members to the extracts from the Deakin University Act 1974, the La Trobe University Act 1964 and the Victorian Curriculum and Assessment Board Act 1986 which are in the hands of the honourable members. It will be noted that the Acts require that the joint sitting be conducted in accordance with the rules adopted for the purpose by members present at the sitting. The first procedure, therefore, will be the adoption of rules.

Mr ROPER (Treasurer)—Mr President, I desire to submit rules of procedure, which are in the hands of honourable members, and I accordingly move:

That these rules be the rules of procedure for this joint sitting.

Mr STOCKDALE (Brighton)—I second the motion.

Motion agreed to.

The PRESIDENT—The rules having been adopted, I am now prepared to receive proposals from honourable members with regard to members to be recommended for appointment to the Deakin University Council.

Mr ROPER (Treasurer)—I propose:

That Harley Rivers Dickinson, Esquire, MP, be recommended for appointment to the Deakin University council for a three-year term and John Francis McGrath, Esquire, MP, be recommended for appointment to the Deakin University council for a two-year term.

I understand they are willing to accept the appointments if chosen.

Mr STOCKDALE (Brighton)—I second the proposal.

The PRESIDENT—Are there any further proposals?

As only two members have been proposed I declare that Mr Harley Rivers Dickinson, MP, has been chosen to be recommended for appointment to the Deakin University council for a three-year period and that Mr John Francis McGrath, MP, has been chosen to be recommended for appointment to the Deakin University council for a two-year period.

I am now ready to receive proposals from honourable members as to members to be recommended for appointment to the La Trobe University council.

Mr ROPER (Treasurer)—I propose:

That Peter Batchelor, Esquire, MP, and the Honourable Ronald Alexander Best, MLC, be recommended for appointment to the La Trobe University council.

They are willing to be recommended for appointment if chosen.

Mr STOCKDALE (Brighton)—I second the proposal.

The PRESIDENT—Are there any further proposals?

As only two members have been proposed I declare Mr Peter Batchelor, MP, and the Honourable Ronald Alexander Best, MLC, have been chosen to be recommended for appointment to the La Trobe University council.

I now invite proposals as to a member to be recommended for appointment to the Victorian Curriculum and Assessment Board.

Mr ROPER (Treasurer)—I propose:

That the Honourable David Mylor Evans, MLC, be recommended for appointment to the Victorian Curriculum and Assessment Board.

He is willing to be recommended for appointment if chosen.

Mr STOCKDALE (Brighton)—I second the proposal.

The PRESIDENT—Are there any further proposals?

As only one member has been proposed I declare that the Honourable David Mylor Evans, MLC, has been recommended for appointment to the Victorian Curriculum and Assessment Board.

There being no further business I now declare the joint sitting closed.

Proceedings terminated 6.23 p.m.

Thursday, 29 November 1990

The PRESIDENT (Hon. A. J. Hunt) took the chair at 11.2 a.m. and read the prayer.

STATE BANK (SUCCESSION OF COMMONWEALTH BANK) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That the Bill be printed and, by leave, the second reading be made an Order of the Day for later this day.

Hon. R. A. MACKENZIE (Geelong)—Leave is refused.

Ordered to be printed and second reading to be made Order of the Day for next day.

QUESTIONS WITHOUT NOTICE

DOWNSTREAM MINERALS DEVELOPMENT

Hon. M. A. BIRRELL (East Yarra)—I direct a question to the Minister for Industry and Economic Planning and refer to the Premier's statement this week that downstream minerals processing will comprise one of the four major planks of the government's so-called economic strategy. I ask the Minister whether he is aware that the $400 million titanium dioxide plant promoted by the government as Victoria's key downstream minerals development is likely to go to another State because of criticism about the government's mismanagement and bureaucratic bungling.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—It is important to place on record that there are at least three major resource projects in which we are interested. Firstly, in relation to the question Mr Birrell has asked about the mineral sands project at Horsham, we look forward to CRA Ltd going from a pilot stage to a development stage, with the commercial development occurring in 1994.

Hon. M. A. Birrell—This is downstream!

Hon. D. R. WHITE—I shall get down to specifics shortly; I am giving some important background material. The commercial development will generate $230 million in revenue and that will mean that CRA will have a major mining development in this State.

The second major resource project which also has downstream activities is to secure the extension to the first and second potlines at Portland of the third potline and the downstream activity associated with that. We are concerned that Opposition policy may inhibit the prospect of getting the third potline.

The third matter relates to the Maryvale pulp and paper mill, and we look forward to the feasibility study being completed, which will produce a major expansion of that mill. Mr Birrell was correct when he said that the leading prospective investor for the

titanium dioxide plant has been examining the merits of locating that plant somewhere in Australia. Representatives of the company have been looking at locations in Western Australia, Tasmania and Victoria in particular, and they may also have looked in New South Wales.

We have also met with the representatives of the company responsible for providing advice to the board on the merits of the various locations. I make it absolutely clear that the key indicator as to which State will be successful will be the environmental issue. It is not correct to say that the reasons put forward by Mr Birrell bear any relevance to the criteria that will determine the outcome of that issue. The foremost criterion relates to the access to labour of the respective sites. In regard to suitability for investment, there are no impediments so far as Victoria is concerned.

It is an extremely sensitive environmental project. It is clear that Victoria, being closely settled, provides some difficulties for the company's site solely on environmental grounds.

Hon. M. A. Birrell—What about planning issues?

Hon. D. R. WHITE—It is clear that when the decision is made, if Victoria is not successful and it goes to another State, no planning impediments will have been put in the way of the project in the eyes of the people who have advised us and who are making the recommendation to their board. No decision has been made, and the company has expressed satisfaction in the strongest possible sense about the cooperation it has received from the Victorian government in determining an appropriate site. If it is decided that the site be in a State other than Victoria, it will not be for any of the reasons expressed by Mr Birrell; it will be solely on environmental grounds. We look forward to the decision being made in the near future.

If Victoria is not successful we will understand the reason. We will support a successful State providing an adequate location. We believe currently the prospects at this early stage seem reasonable for South Australia.

RESOURCE RENT TAX

Hon. R. A. BEST (North Western)—The Minister for Industry and Economic Planning will be aware that it is the decision of the Gas and Fuel Corporation to pass on any additional costs that it incurs as a result of the Federal government's resource rent tax. The decision will result in businesses receiving revised accounts in April 1991 for gas they received as far back as July this year. Will the Minister advise the House whether he specifically approved the proposal for the retrospective charges, or is he prepared to give an assurance that the Gas and Fuel Corporation will review its proposed pricing policy?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—If the Federal government introduces a resource rent tax in the autumn session of 1991 it will have the impact of increasing costs in real terms by 8 per cent for large industrial consumers and 5 per cent for domestic consumers. It will also have the impact of increasing costs by between 1 and 2 per cent for State Electricity Commission consumers because of the purchase of natural gas by the SEC.

We have pointed out to the Federal government in the strongest possible terms that we are opposed to the application of a resource rent tax on natural gas in Bass Strait, particularly when there is an exemption for natural gas from the North West Shelf and from the Cooper Basin. We also pointed that out to Senator Cook, who gave an assurance of exemption to Victoria when he was the responsible Minister.

We make it clear that the Federal government did not consult the Victorian government prior to its incorporating the proposal in the Federal Budget. We do not oppose the application of a resource rent tax to oil in Bass Strait, nor does BHP. But we are opposed to the application of the tax on natural gas; we believe it would be inappropriate because it would undermine the competitiveness of our industry. We also do not believe it is appropriate for the Federal Minister for Resources, Mr Griffiths, to suggest that Gas and Fuel Corporation losses need not be passed on because we can lower the public authority contribution. In that case the application of the resource rent tax would mean that the Commonwealth would introduce the tax at the expense of a Victorian tax base.

We do not oppose the Gas and Fuel Corporation's notices to large industrial consumers; and we have alerted them to our concerns. We are encouraged by their campaigning, along with the State government's making representations to the Federal government, seeking the postponement of the application of the legislation. We do not believe it is realistic to suggest that they might give an exemption to trade-exposed industries, because that may include only some and not all of the large industrial consumers. We believe if such exemptions were given to them it would not be sufficient to alleviate the problems of domestic consumers, who would suffer a 5 per cent increase in domestic tariffs.

We are making representations to the Federal Minister for Resources, the Federal Treasurer and the Prime Minister, and the Premier is involved in the campaign, as is the Gas and Fuel Corporation and the large industrial consumers. I wish I could assure the House that the undertaking we were given by Senator Cook about twelve months ago will stand. I am unable to do that; but we will campaign on the issue for the rest of this year and into the New Year.

Hon. R. A. Best—What about small businesses? What about giving them an assurance?

Hon. D. R. WHITE—All consumers would be affected by the increase in tariff in one form or another. We are seeking to convince the Federal government not to persist with the application of a resource rent tax on natural gas. We ask honourable members on both sides of the House to make representations on this issue to their Federal colleagues both in the House of Representatives and in the Senate on behalf of all Victorians because of the unfair effects the application will have on the competitiveness and viability of Victorian industry or on the State government revenue base, or more likely both, if this unfair tax is introduced, which will disadvantage Victoria more than other States.

WORLD AIDS DAY

Hon. C. J. KENNEDY (Waverley)—Noting that Saturday, 1 December is World AIDS Day, will the Minister for Health outline the government's plans for continuing the fight against AIDS?

Hon. C. J. HOGG (Minister for Health)—Saturday, 1 December will be observed as World AIDS Day in Victoria, other Australian States and across the world through a number of activities and programs, some of which will link up. The details of the Victorian AIDS budget will be announced on Saturday. I thought several of the highlights were worth drawing to the attention of honourable members as they are designed to be of advantage and use to groups who have not had access to as much education and information on AIDS as English-speaking people in the metropolitan area.

The budget for the AIDS program is cross-shared and is a little over $11 million. This time there is continuing emphasis on prevention and education programs, with a special emphasis in two of the programs on providing support for AIDS groups that have begun in rural Victoria—there has not been much emphasis on education, support and preventive activities in rural areas—special programs and a small grants program to provide education for people from non-English speaking backgrounds. There is a $500 000 study grant scheme to provide special and specific study assistance to volunteers who work with people suffering from AIDS and professionals in the field. Together with a number of other quite detailed programs it adds up to a mosaic of services and probably constitutes one of the reasons why Victoria is managing the AIDS epidemic pretty well.

World AIDS day will be observed on 1 December, and in many suburbs throughout Melbourne and in some country centres there will be activities drawing attention to what we as a community can seek to do to assist in the fight against AIDS in a positive and educative way.

DISADVANTAGED SCHOOLS PROGRAM

Hon. HADDON STOREY (East Yarra)—I refer to the government's decision to use $2.89 million from the Commonwealth disadvantaged schools program to pay for direct teacher aides and ask the Minister for Education: why did the government ignore the opinion of its own disadvantaged schools steering committee that this was contrary to the Commonwealth guidelines?

Hon. B. T. PULLEN (Minister for Education)—The answer is that it is not contrary to Commonwealth guidelines; people are concerned that savings are being made but this is within Commonwealth guidelines. I believe this action will occur only this year and it is important that aides are provided in schools. As the honourable member would be aware, I have indicated there will be a review—which I think will be welcomed by the disadvantaged schools steering committee—to examine teacher aides generally, which I believe will result in teacher aides being supplied to those schools most in need. The honourable member is quite incorrect in saying that it is outside the Commonwealth guidelines.

Hon. P. R. HALL (Gippsland)—The Minister for Education will be aware that an extra $9 million nationally has been made available by the Commonwealth for the disadvantaged schools program. Will the Minister say why Victoria will be the only State not sharing in that extra allocation?

Hon. B. T. PULLEN (Minister for Education)—The Victorian situation is identical to the situation in other States.

INTERNATIONAL BACCALAUREATE

Hon. D. E. HENSHAW (Geelong)—Will the Minister for Education advise the House of Victoria's position in relation to the International Baccalaureate?

Hon. B. T. PULLEN (Minister for Education)—The International Baccalaureate is a year 12-type certificate which has sometimes been considered—some people are floating it—as a possible alternative to the Victorian certificate of education.

People should be aware that this possibility was examined in the development of the VCE and has a number of failings. For instance, it has been examined by educationalists in Australia, and in particular by the Australian assessment boards and the Australian

Conference of Assessment and Certification Authorities, and they have found it wanting because of its lack of relevance to the Victorian and Australian scenes.

It is a certificate that is narrow in its scope and is of European origin. The nearest offices that would administer the scheme are in Geneva and Singapore. It is not an appropriate certificate at all. In a particular instance in Canberra where students commenced such a certificate there was a change in the examinations and they were unable to conclude year 12 because of decisions made outside of Australia. It is expensive and requires an additional $6500 to $7000 for a student to take up the certificate.

It is a certificate that was considered in the development of the Victorian certificate of education but was seen not to contain the breadth or advantages of the VCE. The government will not be proceeding with it, and to discuss such a certificate shows a wide ignorance of the development of the VCE and the confusion of the opposition parties in relation to it when honourable members like Mr Storey and Mr Evans—who are foundation members of the Victorian Curriculum and Assessment Board—support the VCE, and Mr Brown, the Leader of the Opposition in the other place, says he supports half of it but does not tell us which half he supports.

Hon. M. A. Birrell—It's the bad half we don't want.

Hon. B. T. PULLEN—The honourable member for Prahran, Mr Hayward, waits to get his advice on what position he will take and that changes from week to week and is simply——

Hon. M. A. BIRRELL (East Yarra)—On a point of order, Mr President, the Minister has clearly departed from his answer to the question and is debating the matter.

The PRESIDENT—Order! I uphold the point of order. I ask the Minister to return to the question.

Hon. B. T. PULLEN (Minister for Education)—I make the point that all universities support the development of the VCE. It is important that students who have completed their examinations understand that the government is proceeding with the VCE. For the future of Victorians in years 11 and 12 the Opposition should stop raising red herrings in respect of certificates that have no particular merit in relation to the Victorian system. To do so only serves to indicate that it has missed the developments over the past five years of compulsory accreditation in Victoria.

HEALTH DEPARTMENT VICTORIA REDUCTIONS

Hon. M. T. TEHAN (Central Highlands)—On 5 September 1990 I asked the Minister for Health as a result of the Budget how many positions in Health Department Victoria and its agencies would be reduced, what percentage of the total staff would be affected and what savings in dollar terms would be made. The Minister said she would be able to give me more precise figures in a few days time. Will the Minister now tell the House what reductions in staffing will be made as a result of the Budget and what the estimated dollar savings are?

Hon. C. J. HOGG (Minister for Health)—At the time I think I told the honourable member, and I reiterate, that 60 positions will be shed from Health Department Victoria central administration, and that process is in train. I told her that between 200 and 300 positions were likely to be lost from the psychiatric services sector, and some of those positions have already been shed. It has been noted by Treasury that there is already a shrinking of the positions there. I cannot say precisely how many because that is a changing figure. The reductions in employment at various hospitals depend on the decisions made by the hospital boards and would vary enormously,

depending on the size of the hospitals. In some small hospitals it may be only one position; in others it may be more.

Hon. M. T. Tehan—What was the overall target?

Hon. C. J. HOGG—The overall target would be close to 1500 jobs across the health sector, and the process has already well and truly begun.

SENIOR PRINCIPAL LIAISON OFFICERS

Hon. D. M. EVANS (North Eastern)—I refer the Minister for Education to the government's intention to eliminate the position of senior principal liaison officer, created some six years ago. Is the Minister aware of the value of this position to school principals, by providing direct access and, if so, will he inform the House of the reasons for the decision?

Hon. B. T. PULLEN (Minister for Education)—Mr Evans would be aware that with the expansion of the advanced skills teacher position additional resources will be available in schools for the development of school direction and curriculum and principals will enjoy a much higher degree of support at that level in schools than ever before. The advanced skills teachers will satisfactorily handle the matters that may have been handled in the liaison area before.

LYNCH'S BRIDGE PROJECT

Hon. JOAN COXSEDGE (Melbourne West)—I refer the Minister for Major Projects to the Lynch's Bridge housing redevelopment. Will he advise the House on the progress of this important housing project?

Hon. D. R. WHITE (Minister for Major Projects)—As a result mainly of the inititiatives of my colleague the former Minister for Major Projects, Mr Walker, a substantial development program has been undertaken at Lynch's Bridge and it has dramatically transformed that part of Kensington.

Since the inception of the project a number of private and public developments have been undertaken at Lynch's Bridge. Jennings Property Development built twelve houses and, of these, two have gone to the Ministry of Housing and Construction and the rest have been sold. Vadmast Group Pty Ltd has built eighteen houses; of these, three have gone to the Ministry of Housing and Construction and the rest have been sold. Cohen Chalmers Pty Ltd have seven houses under construction and four of those have been sold. Honourable members can see that already, in the early stages of the Lynch's Bridge development, substantial private and public investment has resulted in successful residential construction programs.

I am pleased to announce that in the government's aim to create a new residential village in that area the sale of stage 3 of Lynch's Bridge has been made to Pioneer Homes. The sale means that 50 new homes will be built at Lynch's Bridge in the next twelve months. I am pleased that Pioneer—one of the largest residential developers in Australia—has chosen to demonstrate its confidence in the local building industry and the Lynch's Bridge project. Early next year construction is expected to start on a range of small three-bedroom affordable houses, thereby expanding the range of options for home buyers at Lynch's Bridge. Houses will be available at the range of prices normally associated with accommodation in the Kensington–Flemington area.

Projects like Lynch's Bridge demonstrate the opportunities available for developers willing to design products to suit the market. In the same way Lynch's Bridge is an example of how the government and the private sector can cooperate to develop

disused inner city sites for housing. The infrastructure cost to government of building a house in the inner or middle suburbs is $30 000 less when compared with the costs associated with building a new house in the outer suburbs.

Major opportunities will arise in other areas. In addition to Sandridge——

Hon. M. A Birrell—You did a press release on this!

Hon. D. R. WHITE—Not in respect of Pioneer Homes. In addition to Sandridge a major new opportunity will be presented along the Maribyrnong River. Within the next few weeks honourable members will see Footscray land and the land alongside the munitions factory becoming available. It is clear that Lynch's Bridge——

Hon. K. M. Smith interjected.

Hon. D. R. WHITE—The abattoirs and saleyards were due for closure in 1914, Mr Smith. There have been plenty of opportunities to close them. It is the same as the Willsmere story. It is clear that inner surburban revitalisation is occurring and now that successful projects are beginning to occur it is of the utmost importance that investors such as Pioneer recognise there are major opportunities and that in respect of those opportunities Melbourne is a very important place to invest in new residential accommodation.

The government looks forward to working with Pioneer in the very near future to secure the construction of the 50 houses, at affordable prices, that will come on to the market commencing late next year and early 1992; as a result we will see the successful completion of the Lynch's Bridge development.

Also, with the ultimate construction of the project, the Arundel retarding basin, the abattoirs flood plains area and the flood plains land along the Maribyrnong River will become available for new major residential development within the inner city area.

The PRESIDENT—Order! As the answer was in the nature of a Ministerial statement, the opportunity is available for the Opposition.

Ordered to be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

PUBLIC HOSPITAL SERVICES

Hon. G. R. CRAIGE (Central Highlands)—As the Minister for Health is aware, the Hospital Employees Federation, No. 2 branch is totally opposed to the expansion of cook-chill meals in the public hospital sector. Consequently the union is deliberately obstructing the review, which commenced more than twelve months ago. Does this mean that the moratorium the Minister placed on cook-chill meals in early 1989 will never be lifted and the consequent cost savings will never be made?

Hon. C. J. HOGG (Minister for Health)—I thank Mr Craige for his question. It is not dissimilar to one asked yesterday and the answer will not be dissimilar to yesterday's answer. A number of work practices are being worked through and negotiated with HEF No. 2 and, as I explained yesterday, savings absolutely have to be made in the area of psychiatric services. That is a statement I have made repeatedly. Savings are beginning to be made. Change to catering services is one of the issues concerning work practices that is subject to negotiation, review and change.

LOCAL GOVERNMENT COMMUNICATIONS

Hon. JEAN McLEAN (Boronia)—Given the recent and rapid advances in technology over recent years, will the Minister for Local Government inform the House about the effects of these technological advances and innovations in communication on the operations of local government?

Hon. M. A. LYSTER (Minister for Local Government)—As the House is aware, I am always keen to publicise and promote initiatives by local councils. This afternoon I will be involved in a conference with councillors from the City of Mildura—they will be in Mildura and I will be in Melbourne.

We will be discussing municipal restructure, entrepreneurial activities in local government and the Mildura Regional Development Corporation. The conference is being made possible by the imminent use of modern communications by local government. I understand it is a first for local government in Victoria. That is possible through the use of the Vistel video conference network. I shall be linking into Vistel at its facilities in Exhibition Street while the councillors from the City of Mildura will join me in the 1-hour conference from the Sunraysia College of TAFE.

The conference will build on the number of visits I have already made to Mildura and its regions. It will provide significant savings to the council in the cost associated with transporting appropriate councillors and officers to Melbourne had the conference opportunity not been available.

Indeed, this type of long-range tele-conferencing allows for a greater input in terms of the number of participants at a reduced cost to all. I commend the City of Mildura for this innovative use of modern technology. It achieves cost savings, which I mentioned earlier, and also allows me to visit Mildura even on a very busy Parliamentary day. It allows me, too, to retain the close working relationship I have developed with Mildura, and I hope we will be able to use the system for a number of other rural municipalities to further develop the exchange of information in a more direct manner than can be achieved by letter or telephone.

MONT PARK HOSPITAL

Hon. K. M. SMITH (South Eastern)—I refer the Minister for Health to the recently released Annual Report of Community Visitors 1990 and in particular its comments about Mont Park Hospital. It described the toilet areas as dehumanising and lacking privacy. A simple, cheap request to build up the low toilet doors, which currently allow others to see over the top, was "not seen as being urgent or important" by management. Will the Minister ensure that this basic request, remedial by minor works, is carried out forthwith?

Hon. C. J. HOGG (Minister for Health)—The answer is yes. If by "forthwith" Mr Smith means in the next two days, I do not know, but certainly it will be done as quickly as possible—within the next two weeks, if that is possible.

Hon. K. M. Smith—Before Christmas?

Hon. C. J. HOGG—Before Christmas. I am pleased that Mr Smith raised the question of the report because legislation passed by this Parliament in 1985 and 1986 revised all the mental health legislation and enshrined the position of Community Visitors.

Hon. M. T. Tehan—You've taken no notice!

Hon. C. J. HOGG—On the contrary, Mrs Tehan, their reports are very important and are part of the integral management program of the Office of Psychiatric Services. It is sometimes difficult for me to remember how much progress has been made in mental health services in the 1980s. The decommissioning of Willsmere Hospital; the nineteen community-based services that produced; the construction of the new J ward to be opened in either February or March next year; the forensic ward at Mont Park Hospital; the massive upgrading of wards at Larundel Psychiatric Hospital; the new acute unit at Lakeside Hospital; the new acute unit at Hobson Park Hospital, Traralgon; the new acute unit at Frankston to be opened halfway through next year; and the commissioning of special services at Heatherton Hospital are things not done cheaply, easily or lightly. They are the result of massive political will to do something in an area that is not popular and not easy to get resources for.

Health Department Victoria is very proud of its achievements in the area of psychiatric services. It had an enormous catch-up job to do and it will continue even in a very difficult Budget climate. We welcome the report by the Community Visitors and take note of their recommendations.

HOUSING GUARANTEE FUND LTD

Hon. C. F. VAN BUREN (Eumemmerring)—Given the considerable amount of community concern about the various matters related to the Housing Guarantee Fund Ltd and the Minister's stated intention to review certain aspects of the fund, will the Minister for Consumer Affairs outline to the House when he is going to make an announcement on these matters?

Hon. B. W. MIER (Minister for Consumer Affairs)—I am particularly concerned about certain aspects of the operation of the Housing Guarantee Fund Act. At the same time, various representations have been made to me about the operation of the fund by members of Parliament from both sides of the House, community groups such as Victims of Builders, the Master Builders Association, the Housing Industry Association, individuals and the fund itself.

I am pleased to report that next week I will be launching three major components of the review that has been undertaken. The first will be a new draft contract; the second will be a discussion paper on dispute settling procedures; and the third will be a comprehensive review of existing legislation.

The documents will be released for public comment up until early next year, and I hope to bring legislative amendments into the House in the autumn sessional period. I can foreshadow one change: there will be an increase in the consumer representation on the board of directors of the Housing Guarantee Fund Ltd.

STATE BANK (SUCCESSION OF COMMONWEALTH BANK) BILL

For Hon. D. R. WHITE (Minister for Industry and Economic Planning), Hon. C. J. Hogg presented copy of exhibits A to K referred to in Schedule A to the State Bank (Succession of Commonwealth Bank) Bill.

Laid on table.

LEGISLATIVE COUNCIL DEPARTMENT

For Hon. D. R. WHITE (Minister for Industry and Economic Planning), Hon. C. J. Hogg, by leave, presented copy of report of Clerk on operations of Department of the Legislative Council for year 1989–90.

Laid on table.

Ordered to be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

PARLIAMENTARY DEPARTMENTS

For Hon. D. R. WHITE (Minister for Industry and Economic Planning), Hon. C. J. Hogg, by leave, presented copies reports of (*a*) Librarian on operations of Library of the Parliament of Victoria for year 1989–90, (*b*) Chief Reporter on operations of Department of Victorian Parliamentary Debates for year 1989–90, and (*c*) Acting Secretary on operations of Department of the House Committee for year 1989–90.

Laid on table.

Ordered to be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

STANDING REVIEW AND ADVISORY COMMITTEE ON INFERTILITY

Hon. C. J. HOGG (Minister for Health)—By leave, I move:

That there be laid before this House a copy of the report of the Standing Review and Advisory Committee on Infertility on the review of "Post-Syngamy" Embryo Experimentation—Part II: New Developments, Policies and Procedures and Community Concerns, October 1990.

On Thursday 22 November 1990 I received the second and final part of the report of this review, which was conducted at my request by the Standing Review and Advisory Committee on Infertility.

This report addresses all the terms of reference for the review and raises a number of related issues. These were discussed and problem areas covered. Where the committee was not of one mind on a particular issue, the dilemmas and divergences of opinion within the membership were openly discussed and recorded.

The issues raised include the need for appropriate definitions; the need for information and education programs; issues relevant to the importing and exporting of gametes, zygotes and/or embryos; consideration of the potential role of day procedure centres in IVF programs; development of an understanding of the distinctions between a clinical procedure, a clinical trial, research and experimentation and an experimental procedure; issues relevant to what has become known as "mandatory counselling"; membership of the Standing Committee; issues relevant to the Health Department Victoria central register and to record keeping; review of the penal provision of the Act, and the need for a plain English version of the Act.

However, there are other matters which I believe may also require further examination and deliberation by the community, through the Parliament as the appropriate forum for articulating such concern and resolving such issues.

I have already indicated to the Victorian community and to my Parliamentary colleagues that there should be opportunity for this discussion and I see this committee's report as a starting point. One outcome of the discussions may be the further amendment of the Infertility (Medical Procedures) Act to clarify the areas of confusion or doubt identified.

The government has previously stated its commitment and openness to the possibility of further changes to this legislation in light of experience and community expectations

and the Standing Committee has already indicated its willingness to assist the government in providing its own recommendations for any desirable changes to the Act. I thank the committee for its cooperation in this regard.

In the meantime I have requested the committee not to complete its consideration of any further applications for approval of experimental procedures until the Victorian community and the Parliament have had time to consider the review report as well as the need for, and form of, possible changes to the Act. The committee has agreed to my request.

I take this opportunity to thank the members of the committee and its support staff for their dedication and hard work in this most complex and demanding area of human endeavour.

Motion agreed to.

Laid on table.

Ordered to be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

ROYAL COMMISSION INTO ABORIGINAL DEATHS IN CUSTODY

Hon. B. M. MIER (Minister for Consumer Affairs) presented reports of the Royal Commission into Aboriginal Deaths in Custody into the deaths of James Archibald Moore, Harrison Day and Arthur Moffat.

Laid on table.

Ordered to be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

PAPERS

Laid on table by Clerk:

Ararat and District Hospital—Report and financial statements for the year 1989–90 (two papers).

Attorney-General's Department—Report and financial statements for the year 1989–90.

Austin Hospital—Report and financial statements for the year 1989–90 (three papers).

Birregurra and District Community Hospital—Report and financial statements for the year 1989–90.

Building Societies Council—

Minister's report of failure to submit an annual report to him by 30 September and the reasons therefor.

Report and financial statements for the year 1989–90.

Eildon and District Community Hospital—Report and financial statements for the year 1989–90.

Gippsland Base Hospital—Report and financial statements for the year 1989–90 (two papers).

Hamilton Base Hospital—Report and financial statements for the year 1989–90 (two papers).

Institute of Forensic Pathology—Report and financial statements for the year 1989–90.

Korumburra District Hospital—Report and financial statements for the year 1989–90.

Law Reform Commission—

Report on Mental Malfunction and Criminal Responsibility, No. 34.

Report on Review of the Equal Opportunity Act, No. 36.

Mercy Maternity Hospital Incorporated—Report and financial statements for the year 1989-90 (two papers).

Mount Eliza Centre—Report and financial statements for the year 1989-90 (two papers).

Public Advocate Office—Report and financial statements for the year 1989-90.

Radiation Advisory Committee—Report for the year ended 30 September 1990.

Royal Women's Hospital—Report and financial statements for the year 1989-90 (two papers).

Shelley Memorial Hospital—Report and financial statements for the year 1989-90.

Statutory Rules under the following Acts of Parliament:

Building Control Act 1981—Nos 345 and 346.

Fisheries Act 1968—No. 335.

Willaura and District Hospital—Report and financial statements for the year 1989-90 (two papers).

Woorayl District Memorial Hospital—Report and financial statements for the year 1989-90.

Ordered that the reports tabled by the Clerk, except statutory rules, be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

COLLINGWOOD (VICTORIA PARK) LAND BILL

Hon. M. A. LYSTER (Minister for Local Government)—I move:

That the Order of the Council appointing Tuesday, 4 December 1990 for the resumption of debate on the second reading of the Collingwood (Victoria Park) Land Bill be read and rescinded, and that the resumption of the debate on the second reading of the said Bill be made an Order of the Day forthwith.

Motion agreed to.

Second reading

Order of the Day read for resumption of debate.

The PRESIDENT—Order! I have examined this Bill and am of the opinion that it is a private Bill.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

That this Bill be dealt with as a public Bill.

Motion agreed to.

Debate resumed from 27 November; motion of Hon. M. A. LYSTER (Minister for Local Government).

Hon. B. A. CHAMBERLAIN (Western)—The Opposition supports the Bill. On 6 October this year the name Collingwood became famous all around the world. Many people who do not recognise the names Australia or Melbourne were told about Collingwood. And the reason, whether we like it or not, was because Australian Football League football is now telecast all around the world, particularly the grand final. When I was in London in July I was intrigued to find that on a Sunday afternoon one can watch on television a Melbourne football match from the previous day.

For many years the home of the Collingwood Football Club has been Victoria Park, naturally in the City of Collingwood. The club has leased that ground with leases that go back many years, and the current lease expires in 1996. The Collingwood council receives only $1000 a year for that ground. The land is owned under a freehold title in the name of the "Mayor, Councillors and Citizens of the City of Collingwood", and the title, which is Certificate of Title Volume 1320 Folio 908 shows that the area is

approximately 14.5 acres. I have just been told by a reliable source that that is the equivalent to 6 hectares in metric measurements.

There is a covenant on that title which dates back to 1882. That covenant states that the land must always be used as a place of public recreation and resort, that the land will always be used for that purpose, and that it shall not be sold to private individuals.

On 9 October 1989 the Collingwood City Council resolved to sell part of the land and to lease the balance to the Collingwood Football Club subject to a number of conditions. In seeking the views of the Collingwood City Council I was told by the chief executive officer that negotiations regarding the club's future occupancy have been continuing for some five or six years, with increasing intensity as we approach the expiry date for the current lease in 1996. The council has indicated that it has no objection to the content and context of the Bill and pointed out that the passage of the Bill is one of several prerequisites of the council before it enters into the agreement. Naturally, I also sought the views of the Collingwood Football Club, which indicated that it was keen to have the Bill passed in this sessional period. Other people have also taken an interest in this measure.

I received a letter from a solicitor, Stewart Jackson of Doncaster, who represents a group of Collingwood residents who expressed public opposition to the proposed sale when it was publicly mooted in 1989. In his letter Mr Jackson indicates there was a public meeting which some 60 residents attended. He addresses various elements of the agreement required by the Collingwood City Council and points out that he believes some of those are not capable of being rendered into enforceable agreements.

In the body of his letter he states:

> It must be borne in mind that the terms of the covenant are quite clear. The whole of Victoria Park is to be used as a place of public resort and recreation and shall always be used for such purpose and shall not be sold to private individuals. It was intended that the legal title to the land was to be held by the council merely as trustee for the citizens of Collingwood. That trust has been observed since the year 1882.

Mr Jackson then makes a few unkind remarks about the government, which I shall not read into the record.

News of this Bill was published in the *Melbourne Times,* which circulates in the area. I must indicate that the Opposition received no representations as a result of that publicity.

I have been informed this week by the President of the Collingwood Football Club, Mr Allan McAlister, that a meeting was held between the Collingwood City Council and the football club on Tuesday night of this week and that a large measure of agreement was reached in relation to a number of issues.

The agreements that have been reached are as follows: firstly, the freehold of what is now the Collingwood Social Club site will be sold to the football club for $1.75 million over fifteen years. The buildings on that site were actually provided by the club. Secondly, the club will lease the balance of the land, which is about 90 per cent of the total site, over a period of 50 years, although the rental is still to be negotiated. Thirdly, the football club undertakes to spend $3.5 million on improving the leased area of the site over twenty years.

Fourthly, it is anticipated that some seven home games will be played each year. The Collingwood Football Club does not have complete control over that issue and it will depend on the views taken by the Australian Football League. Again this is one of the elements in the negotiations: whether some compensation should be payable to the City of Collingwood if, in fact, seven matches are not played.

The last item on which agreement was reached was that residents of Collingwood will be offered a special $18-a-year membership to the social club on non-match days. They are the issues on which agreement has been reached, and I have been informed by the president of the club, Mr McAlister, that he anticipates agreement on the remaining issues will be forthcoming in the relatively near future.

It had been the intention of the Opposition to amend the legislation to provide that it would not come into operation until there was a signed agreement between the City of Collingwood and the Collingwood Football Club. In response to that it was indicated that the government was not prepared to have that as an open-ended arrangement and insisted on a final date, as it were, for the operation of this Bill of 1 February 1991.

I shall move an amendment in Committee which will change the operative clause from "the day on which the Bill receives Royal Assent" to "a day to be proclaimed, not being later than 1 February 1991". In doing so I seek an undertaking from the Minister that if agreement is reached between the football club and the council beforehand, the Bill will then be proclaimed; and that is on the understanding that if agreement has not been reached by 1 February the Bill will be proclaimed on that date by the operation of the amendment that I propose.

With those words I indicate that the Opposition will support the Bill, and I believe it is Carlton's turn next year.

Hon. P. R. HALL (Gippsland)—I should like to make a few comments on the Collingwood (Victoria Park) Land Bill. I understand that the effect of the passage of the Bill will be to enable the council of the City of Collingwood to sell part of the land at Collingwood known as Victoria Park to the Collingwood Football Club and lease the remainder of that land to the club on a long-term basis.

As Mr Chamberlain has said, the Opposition will certainly support the passage of the Bill. But I must say, as one who has some rather torrid memories of the times when I played football against the Collingwood Football Club at Victoria Park, I sometimes wonder why I am standing here lending my support for that football club on this occasion. I must say that neither the players nor the people of Collingwood rolled out the red carpet for football teams in opposition to Collingwood, and we were not always made to feel welcome in the Magpies' nest!

It has been said about the Collingwood Football Club that one either loves it or hates it, but I am not sure that I really feel either of those emotions about the Collingwood club. However, I admire the club for what it has done over a long period. I admire it for the fact that it has built up a proud tradition in its performances over the years and certainly brought enjoyment to the residents of Collingwood and the vast number of supporters across the State. I even admit to showing some bias towards Collingwood by supporting the club in the AFL grand final this year. It was good that its 32-year drought was broken. Undoubtedly the club has the largest membership of any football club in the Australian Football League and its victory in the grand final was certainly good for the game of football.

I understand the club wishes to embark on a capital improvement program. It is reasonable for the club to seek security of title over the land on which it wishes to make capital improvements. I do not believe this legislation would be a breach of the intent of the original covenant over this land and, for those reasons, I am happy to support the Bill.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. B. A. CHAMBERLAIN (Western)—I move:

Clause 2, lines 6 and 7, omit "the day on which it receives the Royal Assent" and insert "a day to be proclaimed being not later than 1 February 1991.".

I have already explained the purport of the amendment. I ask the Minister for Local Government for an undertaking that, if a signed agreement is reached between the Collingwood Football Club and the Collingwood City Council prior to 1 February 1991, the legislation will be proclaimed earlier than that date.

Hon. M. A. LYSTER (Minister for Local Government)—Although I am happy to give that undertaking I do not believe it is necessary. The government is pleased to initiate the legislation to allow the parties named in the Bill to resolve their differences without the reality of a covenant impeding the resolution of the outstanding matters. The information I have been given, which was referred to by Mr Chamberlain, is that the parties are close to resolution of the two outstanding matters. The government looks forward to the resolution of those matters. I am advised that the resolution could occur within one calendar month; and if there is anything that the government or I can do to assist or support the resolution of those matters, we will be pleased to do so.

The amendment sets the proclamation date no later than 1 February 1991. In the likely event of an earlier agreement being reached on the sale and lease arrangements, the Bill will be proclaimed earlier. In the event of legislation being introduced to assist the Geelong Football Club to aspire to the success of the Collingwood Football Club, personally I would certainly lend whatever support I could.

Amendment agreed to; amended clause agreed to; clauses 3 to 6 agreed to.

Reported to House with amendment.

Passed remaining stages.

CORPORATIONS (VICTORIA) BILL

Second reading

Debate resumed from 28 November; motion of Hon. M. A. LYSTER (Minister for Local Government).

Hon. HADDON STOREY (East Yarra)—The Corporations (Victoria) Bill is an important Bill establishing regulations that will apply throughout Australia to provide for a scheme of administration of company and securities law for the future. It is a thickish Bill, of approximately 60 pages, which has been introduced late in the sessional period. I wonder whether the Minister for Local Government has actually read its provisions and clauses.

The Bill is the tip of the iceberg, because what it does is to have apply in Victoria a complex series of Bills which are being processed through the Commonwealth Parliament. The Bills are immensely complex and detailed and make fundamental changes to the law. I believe few people in Australia would have any idea of everything

contained in the Bills. The coalition parties have not had the opportunity to fully examine this Bill and the Commonwealth legislation. Organisations have suggested to the Opposition that the legislation should be delayed for up to six months to enable a proper examination of the complex series of Bills to ensure they are correct. The Law Institute of Victoria and the Retail Traders Association of Victoria have both indicated to the Opposition that there should be this sort of delay. The Opposition is not in a position to hold up the scheme because, if it is to apply in Australia, it must apply properly in every State.

The Australian Stock Exchange and the Victorian Bar Council have expressed support for the Bill, as have the Victorian Employers Federation, chambers of commerce, the Australian Society of Accountants and the Institute of Chartered Accountants in Australia. The business community at large is in favour of the concept of national legislation covering the companies and securities industry. Further down the track, when the legislation comes into force and when people actually encounter the difficulties of dealing with it, it may be that a different view will prevail, but at the moment there is a feeling in the community that the legislation is necessary to have certainty in company and securities law.

It will be remembered that for many years different laws relating to companies applied in different States and few laws applied to the securities industry. During the years after the last world war, agreements were made between the Attorneys-General of the various States which led to roughly uniform legislation being enforced in every State. I say "roughly" because it was not identical and there was certainly no uniform administration of the law.

During the office of the ill-fated Whitlam government the late Justice Lionel Murphy, then Senator Murphy, introduced legislation for the Commonwealth to take over this area from the States. However, the legislation never proceeded and it probably would have been disastrous if it had. Subsequently, the Commonwealth and the States came together and designed the scheme currently operating.

Under the current scheme the Commonwealth government passed a law for the Australian Capital Territory and each of the States passed legislation, to apply that ACT law, as it is amended from time to time, in the States. That means uniform legislation applies in every State. In addition, the National Companies and Securities Commission was established and it set about bringing in uniform administration around Australian so for the first time there were truly uniform laws and administration.

The scheme is supervised by the three commissioners of the National Companies and Securities Commission, all people of outstanding ability. The system also involves a Ministerial Council where the relevant Ministers of all States have a vote. Every State has a proper and full input into the decisions made by the Ministerial Council. If amendments are to be made to the legislation, they are passed through the Commonwealth Parliament after they have been agreed to by the Ministerial Council. In that way the States continue to have input into this field of law and are still involved in its administration through the various corporate affairs offices.

I mention that because people tend to say uniform laws do not exist. People speak about a maze of laws relating to the companies and securities industry and how important it is that this scheme is supported so that the same laws apply throughout Australia. That has been the case for ten years and there has been no real concern about the laws; they have been acceptable to all the States. However, there have been concerns about administration and complaints that, despite the National Companies and Securities Commission, there is variance in the administration applying in different States.

The Commonwealth has had the ambit of its power in this field tested in the High Court and it has been held that the power is lacking under the Constitution as it currently stands in relation to corporations. However, there is no doubt the Commonwealth could do a great deal by passing laws to apply throughout Australia.

The Commonwealth and the States have now agreed to the scheme embodied in the Bill before the House. The method of introducing the scheme is similar to the method that already exists: legislation will be passed by the Commonwealth as law for the Australian Capital Territory. Each of the States will then pass a Bill to apply those laws, and that is what honourable members are now debating.

The difference in the new scheme centres on the Ministerial Council. There will still be a council, but the Commonwealth will have four votes while each State will have only one vote. The Commonwealth will be able to exercise a commanding position. If the Ministerial Council makes decisions on possible amendments to the legislation, the Commonwealth will have the final say.

In passing the Bill honourable members must recognise they are handing effective control of this field of law to the Commonwealth. This field of law covers an extensive area and when the Bill is passed Parliament will have little input to the laws applying to the companies and securities industry. It is an important part of the law because Australia's future depends on the way its corporate activities are conducted. There is now a sophisticated and complex financial system and the securities industry legislation is of great significance to it. Under the scheme the Commonwealth will have the opportunity, if it wishes, of making changes that will have profound effects on the conduct of commerce in this country.

Hon. W. R. Baxter—It has the whip hand!

Hon. HADDON STOREY—That is correct; it will go through an exercise of consultation with the Ministerial Council, but the Commonwealth will decide what to do. Until now the Commonwealth had a voice on the Ministerial Council but the States could refuse to agree to certain amendments.

I say that to sound a note of warning because the Opposition has no option but to allow the legislation to pass. However, it is not often the Opposition will pass legislation when it is not certain of its consequences. I can understand the system that is being set up, but, as I said earlier, there has been no opportunity of proper consultation on the full ramifications of the legislation.

I mention again that administration will be under the control of the Commonwealth. The National Companies and Securities Commission will disappear; indeed, I believe it has already disappeared in anticipation of the scheme, which puts in place the Australian Securities Commission.

The State corporate affairs offices will disappear. Regional Australian securities commissioners will be situated in each State and the Northern Territory. Instead of the States having a substantial impact on administration through the Ministerial Council's supervision of the National Companies and Securities Commission and through State offices, we will now have a Commonwealth instrument which will operate throughout Australia.

If any honourable member has had any experience dealing with Commonwealth instrumentalities that receive their directions from Canberra and if anyone has had to jump through all the bureaucratic hoops that must be jumped through by Australia-wide organisations run by government he or she will know that that causes many problems. We hope that those problems will be ironed out as soon as possible in the interests of the business community.

The Australian Securities Commission will be accountable and responsible to the Commonwealth Attorney-General and the Commonwealth Parliament. The Commonwealth Attorney-General will be able to give binding directives to the commission. There will not be any position of responsibility for State Ministers or State Parliaments. That situation will also apply to the administration of relevant parts of criminal law.

Some criminal investigations, by virtue of this legislation, will be the responsibility of the Australian Securities Commission and the Commonwealth Director of Public Prosecutions. The fact that the Commonwealth DPP will also prosecute offences under State criminal law when those laws are associated with prosecutions under the Commonwealth law will mean that the fine revenue will also go to the Commonwealth.

Instead of the Victoria Police Force investigating these matters the Federal police will investigate the various alleged offences under the corporate law and the associated offences under State criminal laws. There will be an opportunity for the ASC and the Australian Federal Police to enter into an arrangement with the State authorities for the continued involvement of State police officers, but that is simply an opportunity. One does not know what the future holds, but experience tells us that when people have primary responsibility they tend to build up their ability to take that responsibility. One can see the possibility of the Australian Federal Police building up their own empires and the State police progressively having less to do with all these matters. State involvement will be limited. They will only have involvement in carrying out functions by arrangement with the Commonwealth body.

The reach of the Commonwealth legislation is extensive because it will impact on State statutory authorities and corporations established under statutes—including building societies, credit unions, friendly societies and cooperative societies. It will have a profound effect on the administration of commercial corporations a large part of and the fundamental operations of the State.

The ASC will take over the register and affairs of the State corporate affairs offices. I understand that various computer arrangements will be set up. We hope that that will be more satisfactory than the computer system that the Deputy Premier promised in the days when he was Attorney-General sitting in this Chamber. He made that promise year after year.

Hon. W. R. Baxter—I suppose the fees will go up even more!

Hon. HADDON STOREY—I have no doubt that the fees will increase. Of course the States will not receive those fees; the Commonwealth will get them. One of the consequences of the legislation is that the fees will be collected by the Commonwealth and I am sure they will become an even heavier burden on business, particularly small business, paying for the administrative costs of this large establishment.

Because the fees will no longer go to the States, provision is made for compensation to the States. They will be reimbursed for their loss of revenue. A formula has been decided and we hope that it will operate effectively.

The business names legislation will continue to be the responsibility of the States but it will be administered by the ASC. However, the daily administration of matters will pass out of the control of the State Minister.

Enormous changes are to be made that will take years to settle down. It is unfortunate that the legislation will come into operation at a time when business is encountering all sorts of problems because of the financial mismanagement of both the State and Commonwealth governments. This will be an added problem for business. We hope

that the administrative problems can be resolved as soon as possible and that the computer scheme, which is entirely untried, will work.

In theory the legislation can be repealed. Parliament can pass legislation to repeal the Bill so that the State would no longer have any involvement in the scheme. That would be disastrous because there is no doubt that Australia needs uniform companies and securities industry law and administration. It would be a nightmare if a State as significant as Victoria had one set of laws and administration and another State, such as New South Wales, had a different set. The practical reality is that once we enter into the scheme, unless there is agreement among all the States and the Commonwealth to move away from that scheme, we will be stuck with it. We should therefore realise we are taking a significant step in allowing the scheme to proceed. The government has a heavy responsibility in this respect.

We hope the Attorney-General has actually read all the Bills that have passed through Commonwealth Parliament and that he understands their operation. Lawyers have suggested to the Opposition that much of what is contained in the legislation is incomprehensible, and if that is proved to be so it will be disastrous for Victoria.

Hon. B. A. Chamberlain—But good for the lawyers.

Hon. HADDON STOREY—Taking up Mr Chamberlain's interjection, we have a heavy responsibility to look after such matters. Our concern is for the community that will be affected by the passing of such laws.

I do not intend to canvass all of the provisions of the Bill because we are not in a position to do anything about them. If we were to say that we did not like this clause or that clause and try to make amendments we would be interfering with the national scheme to introduce uniform legislation. I should have liked to ask the Minister a number of questions about the provisions, but members of the Opposition feel we should either accept or reject the Bill as a package. In the interests of assisting the commercial community and the enacting of a uniform system of companies and securities law throughout Australia we must accept the package and allow the Bill to pass the House. For those reasons the coalition parties will not oppose the Bill.

Hon. W. R. BAXTER (North Eastern)—I feel as though I am being dragooned into supporting the Bill, and after listening to Mr Storey I am sure he feels the same way.

Hon. M. A. Lyster—Trust me!

Hon. W. R. BAXTER—The Minister says, "Trust me!" I might be prepared to trust the Minister, but I do not trust her government. We are being sold this Bill because of the need for uniform companies legislation throughout Australia. It must be said that we have had uniform company legislation in Australia for ten years under a cooperative scheme that I thought had worked exceedingly well.

I am reluctant to hand over to the Federal government all authority for company law. As I understand the provisions of the Bill, all prospect of the State of Victoria being able to exercise an influence over or change company law will be totally abrogated, which is regrettable. I am not getting on my States rights high horse when I say that the States should have learnt that once powers are handed to Canberra, regardless of the political complexion of the Federal government of the day, it is difficult for the States to influence or change the way the laws operate because they have no clout to accompany their requests. The sovereign State of Victoria will no longer have any clout when it comes to requests for change to companies and securities law, which is regrettable when the current system provides strong mechanisms for change.

The Bill has been presented as a package and a fait accompli. Like Mr Storey I take the view that the opposition parties either accept or reject the Bill holus-bolus—and

the consequences of rejecting it would be horrendous because it would throw the administration of Australian companies and securities law into utter confusion, something we cannot afford to do. I am reluctant to give my imprimatur to legislation that even learned lawyers say is incomprehensible. Efforts should have been made to simplify the Federal legislation, which contains hundreds of pages.

Until the last election I was the National Party shadow Attorney-General.

Hon. B. A. Chamberlain—And a good one, too.

Hon. W. R. BAXTER—Thank you, Mr Chamberlain! In that capacity I attended, with Mr Chamberlain, a number of meetings of Liberal Party Attorneys-General and shadow Attorneys-General, where the issue of national corporations and securities law was discussed. As a result I corresponded regularly with Trevor Griffin, the South Australian Liberal Party shadow Attorney-General, about the handing over of responsibility for these matters to the Commonwealth. Mr Griffin and I strongly support the continuation of the current cooperative legislative arrangements but it seems we have lost the battle.

By interjection I asked Mr Storey about the level of fees to be charged by the Australian Securities Commission when it takes over from the corporate affairs offices of the States. In particular I am concerned about the extent to which the government has jacked up the fees for small companies. Only recently I was talking to the accountant of a small family company in Shepparton that has had its fees increased from $180 to $570 in only two years—and so far as I can see it receives little service for the substantial fee it pays.

What appears to be yet another State government taxing mechanism raises $30 million per annum through Corporate Affairs Victoria. There is little evidence that that money is being spent on the administration of Victorian corporate law and in chasing after crooks and spivs. Instead it seems as though that money is being put into consolidated revenue and spent in other areas—and when this legislation is passed the State will lose that revenue. Nevertheless I do not hold out any hope that the ASC will reduce the level of fees because governments never lower fees and charges. I make a plea for a stop to the escalation in fees imposed by this government at least, because small businesses in particular will not be able to pay them—especially when they receive little if any service for the fees they pay.

Small companies could be protected by State legislation. I am not suggesting amendments to the Corporations (Victoria) Bill; but small companies that operate in only one State face the danger of the ASC imposing on them regulations and fees designed for the operations of large, nationwide companies that are inappropriate for small companies. I am not saying it will happen, but there is a danger that small companies operating in only one State will find too onerous the regulations set by the ASC to deal with larger national companies. In sounding that warning I ask the Federal government to be sensitive to the interests of small companies when making such regulations.

I am unhappy with the legislation because I feel I am voting for something I am unsure of. Because the opposition parties have no option, it is with reluctance that I say the National Party will not oppose the Bill.

Hon. B. A. CHAMBERLAIN (Western)—There is no doubt that the international business community has lost confidence in Australia's financial institutions. One has only to read overseas newspapers, as I did when I was away in July, to see that in the area of corporate regulation Australia's name is in bad odour. In recent times the international financial community has seen collapse after collapse, whether it has involved Alan Bond, Christopher Skase, Warwick Fairfax, John Spalvins or George

Herscu—and the list goes on—resulting in losses not of millions of dollars or billions of dollars but hundreds of billions of dollars. So often have such large sums of money been lost that, as is the case in Victoria, we are no longer shocked by the extent of them.

People overseas see governments—in this case the Victorian government—losing thousands of millions of dollars; losses that do not stop in Australia but flow on to the international community. International communities that have trusted Australia and have invested considerable amounts will lose. For instance, the junk bond holders who have lent to the Fairfax organisation are likely to see little of their investment returned. The Bond group had a number of loan raisings in Europe; I remember one of $100 million in Holland, and it is expected those people will get nothing back. In those circumstances in anything we wish to do internationally we will have to battle the image that we are corporate cowboys and that there are no rules.

On the other side these corporate high fliers have their expensive homes, yachts, magnificent cars and personal lifestyles—which almost reach Arabian Nights levels—yet there is little or no accountability for what were often wasteful and fraudulent uses of available money. Very few people from the corporate sector who recklessly, deliberately, wilfuly or unlawfully waste millions of dollars of other people's money are brought to account in Australia and almost none of them are in gaol.

If I walk down Bourke Street in a few moments, grab a brick and throw it through a Myer's window, grab a video recorder worth $1000 and take off and I am caught, there is a very good chance I will end up in gaol. However, if I misuse millions or billions of shareholders's funds in a reckless or deliberate way there is a fairly good chance I will not go to gaol. What sort of justice is there in such contrasting treatment of different offences?

This apparent lack of accountability has brought our international corporate reputation to a low level. It has been argued that a new Federal system of corporate control—part of which we are accepting today—will give us a system that will ensure accountability. We need absolute determination on behalf of the Federal government and Mr Duffy, the Federal Attorney-General, to make the system of corporate regulation work. There should be no restriction on funding made available for corporate regulation, particularly for enforcement. There must be absolute determination that people who abuse public funding in this way will be brought to account.

The Opposition will allow the legislation to pass, but without great enthusiasm or confidence that things will improve.

The DEPUTY PRESIDENT (Hon. K. I. M. Wright)—Order! I am of the opinion that the second reading of this Bill is required to be passed by an absolute majority. As there is not an absolute majority of the members of the House present, I ask the Clerk to ring the bells.

Required number of members having assembled in Chamber:

Motion agreed to by absolute majority.

Read second time.

Third reading

Hon. M. A. LYSTER (Minister for Local Government)—I move:

That this Bill be now read a third time.

I thank honourable members opposite for their recognition of the importance of the preservation of the integrity of this legislation by not seeking to tamper with it at this late stage.

Motion agreed to by absolute majority.

Read third time.

Sitting suspended 12.57 p.m. until 2.3 p.m.

TRANSPORT (ANTI-GRAFFITI) BILL

Committed.

Committee

Clause 1

Hon. B. T. PULLEN (Minister for Education)—I move:

1. Clause 1, line 7, after "Corporation" insert "and on adjacent property".

These are anticipatory amendments relating to a main amendment in clause 3 that extends the application of the Bill to graffiti marking on "adjacent property" in three categories. The words "and on adjacent property" are added for consistency in the legislation.

Hon. W. R. BAXTER (North Eastern)—I am pleased the Minister had introduced this amendment. As he indicated, his principal amendment is No. 6 which adds the definition of "adjacent property". This matter has arisen out of very strong comments made in another place by the honourable members for Syndal and Mornington and by Mr Ashman in this House concerning the fact that graffiti is executed on factory walls, fences and the like, which are not Public Transport Corporation property but which can be seen from passing trains.

That seems to be the justification for these vandals, that they have some need to have their handiwork observed by the public. It would be impractical if such vandals were unable to be apprehended and charged under this legislation because they happened to be doing their dirty work on a factory wall that was privately owned and not a PTC building. The distinction needs to be noted that this amendment only goes to the offence; it does not provide for the graffiti clean-up program to be extended to cleaning up graffiti on privately owned buildings. That is not the Opposition's request at this stage.

The Opposition is pleased that the scope of the Bill is being extended by this amendment.

Hon. G. B. ASHMAN (Boronia)—It is pleasing to see this amendment being introduced. It extends the offence to cover graffiti marking on private property. During the debate concern was expressed that property adjacent to railway lines would not be covered by the legislation, and fencing was of particular concern—for instance, the shared common boundary between the private property and the Public Transport Corporation property.

If there is a concern it is that the definition of "adjacent property" does not go far enough. I ask the Minister: has consideration been given to extending this measure further to include bus shelters, tram stops and other properties of the Public Transport Corporation other than railway properties?

Amendment agreed to.

Hon. B. T. PULLEN (Minister for Education)—I move:

2. Clause 1, line 9, omit "that property" and insert "property of the Public Transport Corporation".

This point has been raised by Mr Baxter, and the amendment extends the offence to include graffiti marking on private property and makes it clear that the clean-up programs are restricted to property that belongs to the Public Transport Corporation. There are accident liability issues and questions relating to the clean-up of private property, so this amendment ensures that that distinction is clear.

Amendment agreed to; amended clause agreed to.

Clause 2

Hon. B. T. PULLEN (Minister for Education)—I move:

3. Clause 2, line 2, omit "8 (1)" and insert "7 (1)".

4. Clause 2, line 5, omit "8 (1)" and insert "7 (1)".

5. Clause 2, line 7, omit "8" and insert "7".

The amendments make numbering changes.

Amendments agreed to; amended clause agreed to.

Clause 3

Hon. B. T. PULLEN (Minister for Education)—I move:

6. Clause 3, after line 13 insert—

' "**adjacent property**" means any part of any building, fence or other structure if that part is near to and visible from—

(*a*) trains operated on property of the Public Transport Corporation; or

(*b*) railway stations on property of the Public Transport Corporation; or

(*c*) property of the Public Transport Corporation on any part of which trains are operated—

whether or not the structure is on land that adjoins that property.'.

Amendment No. 6 has been foreshadowed. It is a substantial amendment extending the offence to the adjacent property in the three areas indicated.

Hon. ROBERT LAWSON (Higinbotham)—Will the Minister explain why the magical area is only around the railway station, or wherever it happens to be? The amendment presumably applies to private property close to or visible from a railway station; why does it not apply to property around the corner but not visible from a railway station?

Hon. B. T. PULLEN (Minister for Education)—It is necessary to define the offence. The Bill deals with graffiti on public transport. While it is recognised graffiti is painted in other places, the purpose of the Bill is to address the problem of graffiti in the public transport system. The amendment accepts the argument that properties adjacent to railway stations may become targets of people painting graffiti on trains or other public transport property. It seems to be a reasonable extension to define adjacent property as that "near to and visible from" Public Transport Corporation property. My understanding is the definition is legally defensible and that is why the amendment is framed as it is.

Hon. G. B. ASHMAN (Boronia)—I pursue the point and ask the Minister why "adjacent property" has been confined to mean property adjacent to railway property? Why does it not apply to all Public Transport Corporation property? I refer in particular to bus interchange terminals that are not always located in the confines of railway stations and to tram stops, shelters and associated buildings.

Hon. ROBERT LAWSON (Higinbotham)—To draw the inference further, the definition could be applied to trams also because they form part of Met property. The

definition could apply to the entire route followed by a tram. For example, if a tram travels along High Street, any property visible from the tram and subject to graffiti should be subject to the terms of the Bill. Will the Minister explain if that is possible?

Hon. B. T. PULLEN (Minister for Education)—Honourable members will be aware that, in the main, graffiti offences occur on trains; generally trams are not targeted by graffiti artists. Recognition has been given to graffiti on bus shelters; the matter has been discussed and is covered by the provisions of the Bill. By and large, the definition targets the area where the problem is seen to occur.

Amendment agreed to.

Hon. B. T. PULLEN (Minister for Education)—I move:

7. Clause 3, page 3, line 13, before "or" insert ", under contract to it".

The amendment clarifies that private bus operators are covered by the Bill. It could be argued that such cover is implied but the amendment will put the issue beyond doubt.

Amendment agreed to.

Hon. B. T. PULLEN (Minister for Education)—I move:

8. Clause 3, page 3, line 13, after "behalf" insert "; and

   (*c*) any shelter provided for the use of passengers of any buses that are owned by that Corporation or operated by it, under contract to it or on its behalf.".

I have foreshadowed amendment No. 8.

Hon. W. R. BAXTER (North Eastern)—I support the amendment. I make a plea to the Public Transport Corporation that it take a little more active role in cleaning up graffiti in these shelters. I refer particularly to offensive graffiti. Some graffiti has been painted on a bus shelter and the adjacent wall in Nicholson Street. It is offensive and has been there for months. Because of the language used, the graffiti is offensive to women and to members of the ethnic community in particular. The graffiti has been there for probably more than twelve months, and I find that extraordinary. As I said, it is on a bus shelter and the adjacent wall.

I make the plea that the Public Transport Corporation be a little more assiduous in removing graffiti, particularly any that is offensive.

Amendment agreed to.

Hon. B. T. PULLEN (Minister for Education)—I move:

9. Clause 3, page 3, line 32, after "Corporation" insert ", or adjacent property,".
10. Clause 3, page 4, line 6, after "Corporation" insert ", or adjacent property,".
11. Clause 3, page 4, line 12, after "Corporation" insert ", or adjacent property,".
12. Clause 3, page 4, line 18, after "Corporation" insert "or adjacent property".
13. Clause 3, page 4, line 31, after "Corporation" insert ", or adjacent property,".
14. Clause 3, page 5, line 2, after "Corporation" insert "or adjacent property".

The amendments are consequential on the insertion of the definition of "adjacent property".

Amendments agreed to.

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

1. Clause 3, page 6, lines 11 and 12, omit all words and expressions on those lines.

I foreshadowed this matter in my remarks during the second-reading debate. It removes the condition in the Bill that requires the child to give consent before being sent on a graffiti clean-up program. A widely held belief in the community is that children ought not be given the option of consenting to go on clean-up campaigns. If they are found guilty and the magistrate believes it appropriate that they take part in a graffiti clean-up program, it should be left to the magistrate's discretion and not to the offender to decide.

In many cases the offender may refuse to take part in a clean-up program, sometimes out of bravado or because of poor advice. In some cases the offender may refuse because of a lack of parental care and guidance. Regrettably that seems to be a fairly frequent occurrence in today's community, with parents who are anti-authority not giving the child appropriate advice to accept the option and consent to take part in the graffiti clean-up program.

Although the amendment removes the necessity for consent to be given, it does not mean every offender will be sent on a graffiti clean-up program. It simply will allow the magistrate to make the appropriate decision. Magistrates are experienced people who deal with cases in courts every day of the week. They are professionals who judge what is an appropriate level or type of punishment for an offence.

Hon. R. M. Hallam—That is what they are there for.

Hon. W. R. BAXTER—Indeed, that is what they are there for. I have confidence in magistrates that they can consider situations and make appropriate judgments in each case. If the consent of the offender is required, the hands of the magistrate are certainly tied.

I suspect the amendment will be rolled out by the Minister opposing it. He will say the situation will be different from that applying in respect of community service orders provided for by the Penalties and Sentences Act and the Children and Young Persons Act. While that is so, on this occasion honourable members are dealing with a different set of circumstances because the offenders will be children aged between ten and seventeen years. It might not be appropriate to impose a fine on an offender because the child will not pay the fine; it will be paid by his or her parents. With community service orders, the offender has the choice of paying a fine—and actually feeling the pain of paying it—accepting the gaol sentence, or taking up the community service order. The magistrate puts forward the options and the offender is given the facts, but in those circumstances the offender is an adult.

As I said, the Bill is concerned with children. In the circumstances, the best way of dealing with offenders would be if magistrates had discretion to direct offenders to take part in clean-up programs. The government will have a deal of trouble in trying to sell this idea if the Bill is passed in its current form and children cannot be sent on clean-up campaigns unless they, the children, consent. People will think it is a ridiculous set of circumstances. The amendment saves the government from its own folly by giving discretion to magistrates, who are the people in proper positions to exercise that discretion.

Hon. B. T. PULLEN (Minister for Education)—The government does not support this amendment. As Mr Baxter has said, this would make it the only community service order or offence involving labour of prisoners in Victoria where consent is not required. The primary objective of a community service order is to promote the offender's social reintegration and a community service order provides that the offender is involved in work with law-abiding members of the community, and is required to adopt their values and standards.

The New South Wales government introduced a measure to make it mandatory for people who did not pay fines to participate in a community—based program. The default rate on the program—approximately 10 per cent compliance—was so great that the government scrapped the program.

Part of the concept of a community service order is a change in attitude. Although I understand the motives behind the amendment—and I suggest all honourable members are concerned about the effectiveness of the legislation to improve the situation regarding graffiti—it goes further than is necessary and does impinge on some basic rights; it is at variance with the way community service orders are employed for offences that are much more serious, some would argue, than the offences we are now considering.

We are in danger of introducing a double standard that applies to young people differently from the way we have approached the subject of community services generally in the community. That is not a very good precedent although it may be put with the best of motives. For that reason, the government takes it seriously in terms of that precedent which would be established by this amendment.

It may breach the United Nations International Covenant on Civil and Political Rights 1966, as ratified by the Fraser government on 13 August 1980, and the International Labour Organisation Convention for the Suppression of Forced and Compulsory Labour could also be breached.

An opinion on this subject is contained in *Fox v. Frieberg* in *Sentencing—State and Federal Law, in Victoria, 1985*. It is more than a simple step being put forward to require compulsory action when the situation is one where those who believe the magistrate and the general attitude towards the offence, and the importance of compulsory orders, could well have served the purpose better.

Hon. R. J. LONG (Gippsland)—No wonder Victoria is in the state it is when you listen to a diatribe like that from the Minister for Education, about how to handle this situation! Surely we must arm a magistrate with some power so he can deal with the problem of graffiti. One of the things a magistrate would say to a child defendant would be, "Are you prepared to do anything to clean it up?" and if the kid says no the magistrate would immediately get the message that the kid had no repentance, and that he did not care for anyone else's rights, and therefore should suffer accordingly.

But, no, the government says, "The magistrate cannot even ask him a question". The magistrate is saddled and all he can do is fine the kid or put him on a bond. The kid probably does not have even 25 cents let alone any money to pay a penalty. What is the magistrate to do with him? Will he say, "You are a very naughty boy, go home and don't do it again"? That is the penalty—it is absolute nonsense!

Hon. G. B. Ashman—He would be absolutely terrified.

Hon. R. J. LONG—Yes, terrified, how true. Get down to the nitty gritty! If we are going to stop graffiti, the government must get serious and not pussyfoot around as it is now doing.

Hon. ROBERT LAWSON (Higinbotham)—A Victorian magistrate has any number of ways to administer the law. I trust magistrates to do the right thing so far as children are concerned. We should leave it to the discretion of courts whether the children go on a work order or whatever it happens to be. What the Minister has said illustrates the danger of signing international agreements because Australia has one of the most free and just societies in the world; we are constrained by the agreements made between us and a number of backward nations that do not have the same freedom, yet we are bound to their standards.

I am sure that when the Fraser government signed the agreement it did not think it would affect work orders for children.

Hon. R. M. Hallam—I'll bet they didn't intend it to.

Hon. ROBERT LAWSON—Mr Chairman, may I speak on proposed section 223E (3) (*b*), below the amendment we are now dealing with?

The CHAIRMAN (Hon. K. I. M. Wright)—Order! That will be in order because amendment No. 1 will be a test for amendments Nos 2 and 3.

Hon. ROBERT LAWSON—During the second-reading debate I said it was very limiting to have children put only on a graffiti clean-up program. I am sure there are other programs where they could be placed that would be as effective. Officers from Community Services Victoria will be in charge of the clean-up program.

It will be very expensive and I suggest the time would be better spent by having the offender under the direction of an honorary probation officer who can look after the program in the community. If this or similar legislation returns it could be altered so that instead of having CSV officers looking after the programs at great expense, it could be done by those honorary officers.

The government should consider that suggestion because what is being done at present is very limiting. There may only be one, two or three clean-up programs a year. That is the only way the officers could manage to look after such a program.

Hon. W. R. BAXTER (North Eastern)—I am disappointed at the Minister's response. His analogy with New South Wales is irrelevant. He drew attention to the situation in New South Wales where people who had already defaulted on a fine were not necessarily a success under the program if they were sent on a mandatory community order. I draw the Minister's attention to two distinctions between that situation and what is now before the Committee: there has been no default, and it is not mandatory. The discretion would be given to the magistrate who should properly exercise that discretion.

Oddly enough, I happen to have a copy of the United Nations convention to which the Minister referred.

Hon. R. M. Hallam—Great anticipation.

Hon. W. R. BAXTER—Not necessarily. Mr Van Buren, in a frank moment yesterday, indicated that this would be the defence put up by the government.

Hon. R. M. Hallam—Mr Van Buren is for it.

Hon. W. R. BAXTER—I have had time to study article 8 which is the relevant provision in that convention. It states:

> No-one shall be required to perform forced or compulsory labour . . .

Then follows a qualification:

> (*c*) For the purpose of this paragraph the term "forced or compulsory labour" shall not include:
>
> (i) Any work or service, not referred to in subparagraph (*b*), normally required of a person who is under detention in consequence of a lawful order of a court, or of a person during conditional release from such detention . . .

I would have thought that particular qualification was relevant. Then 3 (*c*) (iv) of article 8 is relevant because it does not include:

> Any work or service which forms part of normal civil obligations.

I would have thought what the Committee was discussing today could be construed as "normal civil obligations". If it could not, let us test it anyway. Who is going to try

out this new United Nations convention? I am a bit sick of them anyway. What does this mean? Is the world court going to take us to court over this or not? I challenge it to do so if it thinks this particular Bill is contravening the convention.

Hon. Robert Lawson—We'll send you to Brussels as an expert witness!

Hon. W. R. BAXTER—So far as I am concerned, the public of Victoria will not for one moment stand for this government trying to hide behind a United Nations convention to avoid sending offenders off on graffiti clean-up programs. It is absolutely farcical to use this as a defence. I reject it.

Hon. P. R. HALL (Gippsland)—I support the amendment moved by Mr Baxter. In the society we live in today the community expects that those found guilty of committing offences will pay for them. In the majority of cases in the Magistrates Court the magistrate has three options available to him. He may order the offender to pay a fine, impose a gaol sentence or, in more recent times, issue a community work order. The Bill relates to children between the ages of ten and seventeen years, and we should be directing the punishment so the person who actually commits the offence is the one who pays.

Taking the three options available to a magistrate, in the vast majority of cases if a fine were levied the children would not be the ones to pay—it would be the parents, so the children would not be directly affected. It is ludicrous to think that in every case a person found guilty of spreading graffiti will go to a remand centre for people of that age. Remand centres are already bursting at the seams and it would be a pity to send children to a remand centre for this type of petty crime.

The only option then available is a community work order, and if justice is to be done and we believe the person who committed the offence should be the one who pays, there should not be any option for a child to consent or not consent to a community work order.

As honourable members said during the second-reading debate, the Bill is a flimsy piece of legislation and as it stands at the moment it would not be effective in stopping the spread of graffiti. This is one amendment the Opposition has moved to strengthen the legislation, and if it is to be effective the amendment must be passed.

Hon. B. T. PULLEN (Minister for Education)—I understand the intention of the last comment, but I make two points. For the legislation to be successful there has to be some change in the attitude of the people involved in this sort of crime, and no-one will pretend any measure by itself will solve the problem of graffiti. If a person does not comply with a community work order, the question is what to do next. I think it is a practical matter of getting agreement and some consent and support for the community work orders. That matter is important, but it is not being addressed.

In relation to the fine aspect, parents cannot be completely separated from responsibility, and their being involved in paying part of the penalty has to be accepted also. We are not dealing with young people in isolation; this problem is part of their parental situation.

Hon. R. M. Hallam—Lack of supervision.

Hon. B. T. PULLEN—There is a lack of supervision. Many things give rise to this problem and to focus only on the individual who has committed the offence is to ignore part of the cause of the problem.

The CHAIRMAN—Order! I remind the Committee before I put it; that amendment No. 1 will be a test for foreshadowed amendments Nos 2 and 3.

Committee divided on omission (members in favour vote No):

Ayes, 15

Mr Crawford	Ms Kokocinski	Mr White
Mr Davidson	Mr Mier	
Mr Henshaw	Mr Pullen	
Mrs Hogg	Mr Sgro	*Tellers*
Mr Ives	Mr Theophanous	Mr Landeryou
Mr Kennedy	Mr Walker	Mrs McLean

Noes, 21

Mr Ashman	Mr Evans	Mr Smith
Mr Baxter	Mr Guest	Mrs Tehan
Mr Best	Mr Hallam	Mrs Varty
Mr Chamberlain	Mr Knowles	
Mr Connard	Mr Long	
Mr Cox	Mr Macey	*Tellers*
Mr Craige	Mr Mackenzie	Mr Hall
Mr de Fegely	Mr Miles	Mr Lawson

Pairs

Mrs Coxsedge	Mr Storey
Mrs Lyster	Mr Skeggs
Mr Van Buren	Mr Birrell

Omission agreed to.

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

2. Clause 3, page 6, line 13, omit "(*b*)".
3. Clause 3, page 6, after line 14 insert—

"( ) Despite any provision of the *Children's Court Act* 1973 or the *Children and Young Persons Act* 1989, or any rule of practice, the court may require an undertaking or impose a special condition under sub-section (1) or (2) whether or not the child consents to the requirement or imposition.".

The amendments go to the issue on which the Committee has just voted. Amendment No. 2 seeks to omit paragraph (*b*) as a result of the omission of words and expressions brought about by amendment No. 1. Amendment No. 3 makes it clear that the Bill will stand alone, despite any provision in the Children's Court Act or the Children and Young Persons Act, or more particularly any rule of practice that may require the court to get consent from the offender. This provision will ensure that the magistrate has absolute discretion in determining whether to send an offender on a graffiti clean-up program. I believe the will of the Committee has already been tested on amendment No. 1 and these amendments are in similar vein.

Amendments agreed to; amended clause agreed to.

Clause 4

Hon. B. T. PULLEN (Minister for Education)—I invite the Committee to vote against the clause in anticipation of a further amendment to be made.

Clause negatived.

Clause 5

Hon. B. T. PULLEN (Minister for Education)—I invite the Committee to vote against this clause.

Hon. W. R. BAXTER (North Eastern)—I am pleased the Minister has adopted this position. It obviously results from fairly strong comments made by members of the Opposition in the second-reading debate, when they indicated the Opposition would oppose the clause in any event. Clause 5 refers to speed limits on temporary road construction works and seeks to increase the penalty from two to five units. The matter was not mentioned in the Minister's second-reading speech, except as a passing reference to the clause. No explanation was provided.

The Opposition thought the clause was untenable on a number of grounds. Firstly, this is an anti-graffiti Bill and the clause has nothing to do with graffiti. Secondly, the Minister's second-reading speech did not mention it in any detail. Thirdly, on inquiries the Ministry of Transport was unable to produce any evidence that the existing penalties were proving inadequate and that there had been significant numbers of convictions to indicate that penalties were inadequate.

The Opposition takes the view that, if the government wishes to increase penalties for offences under the Transport Act or the Road Safety Act, it should say no and introduce amending legislation covering that issue rather than attempting to sneak it through this way.

Hon. R. M. Hallam—We won't be caught out!

Hon. W. R. BAXTER—Perhaps that is a term stronger than the one I am using on this occasion, but that view could be taken.

Hon. R. J. LONG (Gippsland)—I add a further reason why this clause should be rejected. Honourable members all presume to know the law, but if a layperson were searching legislation to discover the penalties for speed limits, I am sure he or she would hardly think about looking at an Act dealing with graffiti. I appeal to the Minister for Transport and to other people drafting legislation to think about a person searching for the law. For heaven's sake, they should at least make it simple for these people to find the law. If the government continues to carry on like this—and it is a common fault—we will never know what the law is in this State.

Clause negatived.

Clauses 6 to 8 agreed to.

New clause

Hon. B. T. PULLEN (Minister for Education)—I move:

17. Insert the following new clause to follow clause 3—

'AA. In section 56 (5) of the *Transport Act* 1983, for "paragraph (*l*) or (*m*) of sub-section (1)" substitute "sub-section (1) (*b*), (*c*), (*e*), (*l*), (*m*) or (*o*) or sub-section (2) (*a*), (*b*) or (*j*)".'

New clause AA deals with a similar matter to that just referred to by honourable members, but it does so in a more precise way. The provision relates to the Transport Act and proposes amendments to increase the number of paragraphs in section 56 of the Act. I believe it satisfies the criticism made earlier about people being able to see the effects of legislation in the appropriate Act.

Hon. W. R. BAXTER (North Eastern)—The clause has been the subject of much negotiation while the Bill has been between Houses. It was the original intention of the Opposition to oppose clause 4, which has now been omitted by the Committee, on the ground that the increase in penalties from eight to twenty units was far too sweeping for the categories of offences listed in section 56 of the Transport Act, which cover a range of matters from regulating the removal of grass growing on any road, or the seed of such grass—obviously a minor offence—up to some more serious matters.

After negotiation it has been agreed not to object to the increase in maximum penalties for the more serious offences.

I have made a list which I will not read in detail, but certainly the matters identified in new clause AA are now the more serious offences in section 56 for which harsher penalties shall be available. I understand the government is currently reviewing the provisions of the Transport Act, some of which go back to the days of former railway commissioners—and I am sure they need updating.

There will also be the customary regulatory impact statement as well as the overview undertaken by the Legal and Constitutional Committee. It is therefore appropriate that a higher maximum penalty be available for more serious offences. Therefore, the Opposition will support the new clause.

New clause agreed to.

Reported to House with amendments.

Passed remaining stages.

SUPERANNUATION ACTS (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 27 November; motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

Hon. R. M. HALLAM (Western)—The Superannuation Acts (Miscellaneous Amendments) Bill is unique in that it started out as something quite different. When this Bill was introduced in another place it was entitled the Superannuation Acts (Voluntary Redundancy) Bill. As a result of the debate that took place in the other Chamber and the negotiations which surrounded that debate, major clauses of the Bill were deleted by the government in amendments it introduced, and the minor effect of the original Bill has now become the substantive thrust of the Bill we are debating today.

In its original form the Bill caused us grave concern—by us, I mean the Opposition. It started out as a mechanism to encourage voluntary redundancy across the public sector and it did so by offering additional superannuation retirement benefits as a form of incentive, but the crucial thrust was that those retirement benefits were to be paid not as cash but in the form of future pension entitlements. In other words, those entitlements were to mature only at some future time. That was the crucial issue and the central plank of the stance adopted by the Opposition.

While we recognise the need to encourage separation across the Public Service—in fact, we agree that that is an imperative of government—the Bill as it was originally constructed was simply unacceptable because the incentive that I just described was not cost-effective. It seemed to us that the Bill as then constructed was simply another in a whole line of government strategies that grab the benefits today, but defer the cost to tomorrow. In other words the benefit was to be claimed by the government immediately but the cost was to be deferred to future generations of Victorians. It was to be a deferred liability. We have become used to that sort of strategy under this administration. There is a whole range of examples where the government has been prepared to prostitute the future in an effort to gain some short-term advantage.

We have seen where this government has been prepared to camouflage, defer, understate, ignore and even deny future liabilities when doing so has produced a

short-term benefit. I know that you, Mr President, are as aware as anyone else in this Chamber of the range of schemes that have been devised by the government—the deferred annuity scheme, the Victorian Equity Trust, the sale and lease-back scheme that has just been highlighted in this Parliament, and the deferral of interest. The list goes on and is the sign of a desperate government.

The Opposition has no argument with the need to address overmanning in the Public Service and it supported the government's Budget announcement that it would at least address that issue to the extent of 8000 positions across the public sector. Our only criticism of that announcement was the extent to which it was, in our view, a Claytons announcement, and we drew attention to the fact that it was really talking about positions in the Public Service rather than employee numbers. On top of that, the evidence of the government's failure to manage the Public Service is glaring. We need look no further than the raw statistics.

I refer to the Australian Bureau of Statistics catalogue 6248.0, which indicates that in the six years to March of this year the increase in employment in the public sector in Victoria was 11 per cent, whereas over the same period the average increase for all the other States and the Commonwealth excluding Victoria was 3.2 per cent. What that means in simple and precise terms is that over those six years Public Service employment in Victoria increased by three and a half times the average rate of the increase in other States. One of the direct effects of that increase was the rise in the attendant cost of superannuation.

The unfunded liabilities in the superannuation sector have blown out by an extraordinary degree, which in my view represents one of the key issues that must be confronted by the incoming government; another example of the neglect of the current administration. The Auditor-General says that the State has an unfunded liability in the superannuation sector of $16 000 million, a frightening figure. He says that can be based upon the latest actuarial figures available and adjusted by the CPI. But we have had other estimates from reliable sources that suggest the unfunded liability could be as high as $18 000 million.

The Auditor-General has opened a can of worms by including the unfunded liability in his definition of debt. We can debate that and perhaps it would be appropriate to do so on another occasion but what is most important, in my view, in the Auditor-General's stance is that it at least focuses attention on an extraordinary degree of future commitment confronting the Victorian community. Whether the true level of unfunded liability is $16 000 million or $18 000 million to some degree is hypothetical, but it is most important that we at least address it.

It is important that the Victorian public should understand both the current magnitude of the liability and the rate of blowout. What the debate has done is highlight the true cost of this government's failure to manage the public sector over the past eight years. The government has been putting off the cost of judgment day and that cost will come back to haunt either it or the new government. It will represent a millstone around the neck of the community of Victoria.

We have no argument with the need to provide an incentive for public servants to seek alternative employment. There is a clear requirement that the separation rate in the public sector be increased. Indeed, the level and extent of overmanning within the public sector is conceded by the government—and that is significant. It is also important to recognise that natural attrition, which we keep hearing about, is not a realistic management tool. For a start we are told that the traditional wastage of separation which has run at about 7 to 8 per cent is slowing down so we have less room to manoeuvre because there are fewer people choosing to leave the Public Service.

We need look no further than the decay in our economy to understand why people would not be prepared to take that punt. It is clear that the shift in that wastage rate does not mean that the Public Service has suddenly become an attractive employment opportunity, it means that the chances of those in the service finding alternative employment are that much less and, again, that can be traced back to government policy. So we have less room to manoeuvre.

On top of that there is another valid argument against relying on natural attrition, because it implies some sort of arbitrary staff ceiling across the Public Service and we have seen that applied by the government on two separate occasions with which I am familiar. We have seen a disaster because that sort of ceiling simply denies managers in the Public Service the wherewithal to do that which we employ them for: to manage. The opportunity to manage is simply taken away and the structure of staff then becomes dependent upon retirements as they occur. The government's program in any particular sphere depends on whether it is a key employee or the tea lady who chooses to retire first.

Under the ceiling employed by the government, managers have no room to manage employment. On that ground, natural attrition is not a realistic management tool and it is crazy when there can be such a variation in salary that policy direction should be determined by an arbitary staff ceiling.

We have no argument with the search for an alternative to the golden handshakes of the past. They were an absolute disaster. We have seen two classic examples in that respect. In 1985–86 under the management of Mr Crabb who introduced an early retirement program, the government borrowed $86 million to entice people to separate from the Public Service. We borrowed what we had to find. We went through a technical argument as to whether it could be classified as a capital expenditure and the government said that the benefits were to be derived beyond the current year and therefore it could technically be classified as a capital expenditure.

It was the outcome that condemned the early retirement program but the government did not learn from that. The very next year, under Mr Roper, now Treasurer, we went through the exercise again, only this time it was called the transfer redeployment and redundancy scheme and we spent another $50 million trying in vain to entice people out of the Public Service. In two years we borrowed $136 million to demonstrate that the system had failed.

What happened was that the wrong people took up the opportunities we were offering and we had to go back and rehire the very people who had left. The test of that was when the scheme was over we had more people on the payroll than we started after having borrowed $136 million to offer them an incentive to leave. There can certainly be room to argue that we need something better than the failed schemes of the past.

We were critical of those golden handshakes. We were critical on a number of fronts, but especially because the funds required had been borrowed. Therefore, they had been deferred to some degree at least. In retrospect we must say that at least the costs were calculable. We could actually see what they were costing even though they might be deferred to some degree but the scheme as originally proposed by the Bill in its initial form was worse than that because what the government was inviting us to consider was an incentive scheme where the cost was to be completely deferred to the future. It was to be a massive but indiscreet cost at some future time and it was on that basis that the opposition parties could not support the Bill.

The original Bill had two fundamental strategies in the form of incentives. The first was to delete a restriction which up until now had applied in respect of the calculation of deferred pension benefits. Under voluntary redundancy the scheme would now

allow those calculations to go back to the very start of employment. At the moment the first five years are deleted.

Under the amendments proposed originally by the government that restriction was to be deleted and that was to be the first incentive. Importantly that could have had no cash impact but for someone resigning after twenty years service it would have meant an increase of one-third to the notional retirement benefit to which that person would be entitled on retirement. For someone who had served fifteen years before resigning, the increase in deferred benefits would have been increased by half. For someone serving ten years, the Bill had originally contemplated that we would double the deferred benefit in the form of future pensions.

We were not impressed with that as an incentive in the first place. We did not think it would work. I cannot imagine someone relatively young being impressed by some notional benefit that would mature when he or she attained 55 years of age.

We thought it would entice the wrong people to resign and skew the age groups across the Public Service, because it would mean that as people moved closer to the notional or minimum retirement age of 55 years the scheme would then become progressively more attractive.

However, on top of that it is clear that in aggregate terms it would not be cost-effective; it would just be a further deferral of the cost of the scheme. It would create another future liability. It was the traditional snake oil salesmanship we have seen so many times from the government. That was the first incentive—to wipe out the deletion of the first five years of service in the calculation of future retirement benefits.

But the second incentive was even more nebulous with even more snake oil involved. We were told in the original second-reading speech that those who were separating from the service would be entitled to a greater preserved component of their pension entitlement at age 55. That is what the second-reading speech said. It said that was to be the incentive—we will offer these people a greater preserved component of the entitlement.

What biased reporting! Quite clearly what that really meant was that we were offering them less in the form of cash—except it was not said. The crucial impact was not disclosed. In fact in my view the second-reading speech was misleading and deliberately so. What it intended to do was to say to those who were subsequently drawing their cash entitlement at age 55 that that potential entitlement would be reduced from 50 per cent of their accumulated benefit back to 30 per cent. In other words they could take in their hand only 30 per cent in cash rather than the previous entitlement of 50 per cent.

Not surprisingly this caused enormous consternation across the Public Service because it meant a reduction in benefits available not merely in the future but to the many thousands of public servants or previous public servants who had already resigned. Many people in the community would have been caught by that reduction. There would have been a substantial loss of benefit and it would have been retrospective in application, so, apart from the second-reading speech being misleading, it was not even honest; it was deliberately deceptive.

On top of that and quite apart from it, it did not even make good sense in pure economic terms. From a funding viewpoint, from the State's perspective and in the interests of taxpayers generally it is much cheaper to offer those who retire or resign their benefits in the form of cash. Based on the probabilities of life expectancy and whatever other factors they take into account, the vast majority of retirees are prepared to take cash in preference to some future pension benefit to such a degree that we are able to discount the cash that is offered. I am not sure of the precise rate the government

uses but it is about 6 per cent and in the vast majority of cases, despite that discount rate, the retirees vote with their feet and invariably take the full cash entitlement rather than risk the effects into the future. They have been doing so for so many years that a clear pattern is emerging. So, from the point of view of aggregate funding, the more retirees who take cash, the cheaper it becomes for the State in the long term. That is a very clear principle.

Despite the ultimate cost to the public purse the government was effectively conceding that it favours a system that gives less cash now and greater future benefits simply because, notwithstanding the aggregate benefit and good sense of that policy, it would mean they have to find the cash now and that is the problem. The schemes are not structured on the basis of cash generation to meet further benefits. They are structured on the principle: So long as we find the cash as it is required, everything is okay.

That takes me back to precisely the issue raised at the outset—the real concern we must all feel as representatives of Victorians at the degree to which those unfunded liabilities have been allowed to blow out. If we had a pay-as-you-go system looking after the computed future benefits I would not be so concerned about the government's attitude, but that is not the case. We have the crudest form of cash accounting ever devised, and the government is prepared to manipulate the entitlements of public servants just to meet its short-term problems. We were not prepared to support the Bill in that context.

Therefore, those effects were opposed rigorously and vehemently by the opposition parties, and I concede that the government has given ground on those issues and deleted those purposes from the Bill. What we finish up with is a Bill quite different in structure, as I mentioned; in fact it is so different that we now need another title. And there is also a dramatic shift in the effect of the Bill. The Bill still relates to the State Employees Retirement Benefits Fund, the Hospitals Superannuation Fund, the Transport Superannuation Fund and, most importantly, the State Superannuation Fund but it now has but two primary affects. The first of those relates to the governments intention to reduce the cash computation entitlement of those reaching the age of 55 and who had previously separated from the system.

I mentioned the government's intention to reduce that amount from 50 per cent to 30 per cent and the basis on which we had founded our opposition to that effect. I understand what the government was allegedly on about. It said, and this was confirmed by the advice given to us in briefing sessions—that the computation rates, the rates at which employees were entitled to structure the degree of cash withdrawal, were being abused as a result of a loophole.

The way the system had worked in the past was that if a member resigned from the Public Service he or she was entitled to a refund of his or her contributions plus interest. Now, because of a formula in the Superannuation Act that relates to the computation of future benefits, the cash entitlement or the total of contributions and interest is deemed to be two-sevenths of the total benefit, and traditionally that is presumed to be 30 per cent. It is not quite, but in the past it has been assumed to be 30 per cent.

The 30 per cent then becomes withdrawable and the balance of the entitlement is held over in the fund to become a deferred benefit not available to the member until he or she attains the age of 55. At that point the member, or the former member in this case, becomes entitled to draw 50 per cent of the remaining benefits in the form of cash.

The problem explained to us by the government was that there was a need to address the situation where a member had resigned earlier and later chose to commute the 50 per cent. Taking the first 30 per cent leaves a remainder of 70 per cent, and if there is

a choice to take half of that at a later date, effectively the members were able to withdraw the equivalent of 65 per cent of their benefits in cash. That gave those resigning a better cut of the cake than was originally intended but, more importantly, it gave them a better cut of the cake than those who continued in the Public Service. Indeed, it was explained to us that there were an increasing number of occasions on which public servants chose to resign at, say, the age of 54 years and 11 months, take the 30 per cent which was deemed to be the equivalent of their contributions and interest and then one month later take 50 per cent of the remaining benefit. To that degree the system was enticing manipulation.

Therefore, the effect of the Bill now before the House is that if a member resigns after 1 April 1991 and thereby takes his or her own contribution and interest that will be deemed to be 20 per cent for the sake of the calculations, but when that person turns 55 at some later time the entitlement for cash commutaion will be restricted to 30 per cent. In other words, it will stop the opportunity to manipulate the system. In that case the cash withdrawal right will remain at a maximum of 50 per cent.

For those who have already resigned to this date or who resign prior to 1 April 1991 there will be no shift; the existing entitlement will remain. Therefore in the circumstances described to me by Mr Knowles and his constituent there will be no change. In other words, the effect will not be backdated, and that overcomes a major concern. That seems only fair, particularly for those members of the Public Service contemplating retirement who have structured their retirement plans around the calculations given to them under the existing rules. Many people in that position may well have counted on an entitlement to withdraw 50 per cent of their remaining entitlement. I believe the amendment is fair. It is supported by the Opposition and it will overcome the anomaly outlined by the Treasurer.

This is a very complex issue, but it has enormous and direct impact on many people in the Public Service. During the discussions that took place after the debate in the other Chamber, the Director of Superannuation Policy and Management of the Department of the Treasury, Mr Ron Champion, was good enough to provide a detailed letter on how the system would now work. The letter is addressed to my colleague in another place, Dr Denis Napthine. I do not intend to read it, but it is quite detailed and important. I therefore seek leave of the House to have it incorporated in *Hansard.*

Leave granted; letter as follows:

SUPERANNUATION ACTS (VOLUNTARY REDUNDANCY) BILL 1990

Further to our discussions last Thursday concerning clause 6 of the Superannuation Acts (Voluntary Redundancy) Bill 1990 and the House amendment No. 8 moved by the Treasurer, I thought it would be worthwhile to record the following explanation:

(1) Section 46 (1) (*a*) of the State Superannuation Act 1988 provides for a refund of contributions plus interest to former contributors to the revised scheme on resignation.

(2) The lump sum cash benefit in (1) above has traditionally been considered to be equal in value to approximately 2/7ths of total superannuation benefits (i.e. about 30 per cent).

(3) The residual 70 per cent is the deferred pension representing the employer share of total superannuation benefits.

If 50 per cent of the deferred pension is commuted (cashed in as a lump sum) at retirement, the total lump sum (cash) benefit paid to the former member becomes:

refund of contributions plus interest + commuted deferred pension

30 per cent (paragraph 2) + 35 per cent (50 per cent of 70 per cent).

This represents a total cash benefit of 65 per cent of total superannuation benefits in two instalments.

(4) The normal lump sum cash benefit paid to a person retiring from employment on account of age is a lump sum (cash) benefit of up to 50 per cent of total superannuation benefits in one payment.

(5) The House amendment treats the refund of contributions plus interest as absorbing 20 per cent of the deferred pension, thereby restricting the second instalment to 30 per cent of the deferred pension so that the total lump sum (cash) benefit paid to the former member becomes:

refund of contributions plus interest + commuted deferred pension

30 per cent (paragraph 2) + 21 per cent (30 per cent of 70 per cent).

The total cash benefit is therefore 51 per cent of total superannuation benefits in two instalments.

(6) The difference between the proportions of total superannuation benefits able to be taken as a lump sum cash benefit in (4) and (5) above is due to "rounding" in the calculation.

Hon. R. M. HALLAM—I thank the House for its indulgence in allowing me to incorporate the letter. I believe this document is very important in that it is succinct in its outline of the benefits and changes brought about by the Bill.

The Bill has another effect. It contains an amendment that is designed to overcome another blind spot relating to the rights of members who transferred from the old schemes that applied prior to 1988. Because of an oversight the accumulated benefits that those members brought with them into the new scheme have become available only on retirement, that is, not available in any form on resignation. That seems grossly unfair and I have no doubt it was an oversight rather than an amendment by design.

The Bill now before the House overcomes that anomaly. The public servants who were caught up in that situation of having come from a previous fund have been denied the same benefits that they are entitled to under the new scheme. We are told that there are about 400 to 500 members of the Public Service caught up in what is an obvious anomaly. That is now remedied by this Bill, and the amendment is therefore warmly supported by the Opposition.

Apart from that, it seems that the only other effect of the Bill is to tidy up other anomalies across the various funds, but they are more housekeeping in nature and certainly minor in content.

This is a dramatically different Bill from the one that we started out with, but within the Parliamentary process we have addressed and overcome the concerns expressed by the Opposition. On the basis of the Bill as it now stands, the coalition is happy to offer its support for it.

Hon. J. V. C. GUEST (Monash)—As one who has, for all the time I have been in this place, been vocal in expressing concern about the unfunded obligations of the State in respect of superannuation, I have paid close attention to this Bill from the early briefing stage. I listened in awe to the excellent speech of Mr Hallam, who has spoken eloquently on the issues that arose when the Bill had an awful lot more in it and when the issues involved were really very important indeed. Of course that has been changed by reason of the close attention that members of the Opposition gave to the implications of the Bill as presented to the Legislative Assembly.

It is fair to say that there is a clear understanding by Mr Ron Champion and others in the Treasury that the Opposition knows what it is doing, even if some past officers of the former Department of Management and Budget and certainly people in government have not been so attentive to the implications of superannuation legislation. The result was that even the Treasurer seemed to have gone quietly without forcing the issue by requiring this House to make amendments or suggest amendments, as the case may have had to be; amendments were made in the other place, which has left this Bill as one containing comparatively minor amendments to do with superannuation.

I shall not cover again the ground which has been dealt with so well by Mr Hallam. I want to say, though, what I have already said by implication: we benefit greatly from the intelligence, clarity and honesty of Mr Champion and others who brief us on superannuation matters. When being briefed by members of the Public Service—and Mr Champion, despite his history as a private actuary, is a member of the Public Service—one does not just depend on them to be honest and straightforward but also to be extremely competent if one wants to rely on them. I can say on behalf of the Opposition that Mr Champion has our complete confidence.

Hon. R. M. Hallam—You certainly can for me.

Hon. J. V. C. GUEST—I am glad Mr Hallam agrees with that. The Treasurer accepted that clause 5 (4) should not apply until 1 April 1991. It is important to note that any person can still resign up until 1 April 1991 and then, even though not yet at the age of 55 years and not yet entitled to receive the deferred pension as cash in hand, can take advantage of what is described as an anomaly. The provision as now framed, which will come into effect on 1 April 1991, not only looks after those persons who have already resigned in the expectation that they will receive a certain proportion of their deferred pension in cash when they reach 55 years of age or later if they so choose, but allows those persons who plan to resign in the future to take the higher cash benefit. That is ordinary justice that one hopes the government will always be able to afford.

The government is clearly in trouble finding cash to pay for voluntary redundancy. It is clear it would have preferred to use particular individuals and technical categories of individuals in the public sector who resigned early and accepted voluntary redundancy packages. The continuation of the anomaly until 1 April next year means that there could be a rush of retirements and resignations by highly paid officers at the last moment, perhaps in March next year, which would have obvious consequences on the cash flow of the Consolidated Fund, and also means government administration would lose people with expertise. The moral is that governments which find themselves in increasingly desperate circumstances will find the expedients they have to grasp at will produce yet other increasingly desperate circumstances which will bedevil their administration.

Clause 16 amends the Superannuation (Portability) Act 1989 and provides for the retention of the right to take a cash benefit, a lump sum benefit, from previous schemes for those persons who move from one public sector superannution scheme to another.

Persons covered under clauses 6 and 7 are persons, as explained by Mr Hallam, who elected to move from the revised scheme to the new scheme in the expectation of obtaining cash benefits on resignation or retirement, which includes the refund of their contributions under both schemes. Clauses 6 and 7 and clause 16 are closely analogous.

The only point at which I depart slightly from what Mr Hallam has said is that in the warm support I give to clauses 6 and 7 I have been advised by a former teacher representative on the State Superannuation Board, who claims he represents a substantial body of opinion, that those persons who have made the change from the revised scheme to the new scheme have made their choice and could hardly have done so in ignorance of the consequence, but they are now seeking to have it both ways. I have no real knowledge of what the truth is.

In relation to the 400 or 500 persons the Opposition has been told about, I note that it is a point of view that suggests a surprising act of generosity for a cash-strapped government and one is inclined to suspect there are political motivations, as much as any consideration of justice, behind the enactment of clauses 6 and 7. The Opposition supports the Bill.

The PRESIDENT—Order! Before I put the question I direct that the bells be rung.

Quorum formed.

Motion agreed to.

Read second time.

Passed remaining stages.

FORESTS (TIMBER HARVESTING) BILL

Second reading

Resumed from 27 November; motion of Hon. B. T. PULLEN (Minister for Education).

Hon. M. A. BIRRELL (East Yarra)—The Forests (Timber Harvesting) Bill is an extremely significant piece of legislation with wide-ranging consequences for the future. It has arisen out of a package of agreements or announcements made by the Minister for Conservation and Environment on 11 October 1990.

The Bill has earned scrutiny by the coalition parties because, first, it is an issue that impacts upon future economic growth of the State and, secondly, there is an overwhelming feeling in the community that there needs to be a sense of certainty about access to and utilisation of forest resources in Victoria.

The Bill deserves close scrutiny because its implications will not just be felt over the next five or ten years. It is effectively setting a standard by which many policies and Ministerial decisions will be made for decades.

The large number of groups the Opposition has spoken to certainly have their eyes wide open, and members of the Opposition enter the debate with their eyes wide open to the implications of the proposal put forward by the Australian Labor Party.

The Bill will provide for security of timber supply to the Victorian timber industry. It will give a long-term guarantee with a statutory base, and the coalition welcomes the legislation and the concept behind it. My colleagues Mr Hall and Mr Evans will later outline a number of aspects of the legislation. I shall give a brief indication of the coalition's attitude, which is to see the great importance in employment and growth terms of the forest industry recognising that the future of the industry must be discussed with sensitivity and compassion with regard to the implications of expanding or simply guaranteeing access to resources.

In 1985 Professor Ian Ferguson presented a substantial report on the Victorian timber industry referring to sustainable yield. It is fair to say that over the past five years the debate has been about sustainable yield to ensure the timber industry has a long-term future of which all participants and observers can be sure and can actively participate in debate about its day-to-day activities.

On 11 October 1990 the current Minister for Conservation and Environment announced what he called the "East Gippsland logging strategy". Quoting from his press release of the day, he spoke of "protection of old growth forests and full use of harvested sawlogs" as being the "major components of a strategy for East Gippsland". Part of the strategy was the declaration of three new areas of national park and access by the timber industry to a guaranteed source.

In addition, the Minister revealed the change in attitude of the Australian Labor Party to issues on which, up until recently, it has been a vehement opponent or has been unwilling to take action. The government said it would support what is colloquially known as woodchipping and the creation of a new or expanded pulp mill.

As a person with a keen interst in the forest industry and in conservation issues, I can only marvel at the extraordinary ability of today's Labor Party to change its mind on forest and conservation issues. One day it is against a pulp mill because it is a totally unacceptable concept for Victoria and the next day it says it is a key element of its new economic strategy. Now honourable members do not know whether it is part of an economic strategy or not. As Mr Evans says by interjection, it does not have one.

Each day different policy views are espoused, and that is frustrating for both the conservationists and forest workers alike. One day the government is in favour of value added utilisation, the next day it is not sure and the following day it issues a statement saying it is against it.

There is no doubt the Bill will give certainty to the timber industry and will to a certain extent settle part of the debate about timber harvesting in Victoria. I direct the attention of honourable members to the Third Schedule of the Bill, which outlines sustainable yield rates for forest management areas throughout the State. Should the proposal be passed—I believe it will enjoy the support of all members of the Chamber—the following sustainable yield rates will be established: Central Gippsland, 183 000 cubic metres a year; East Gippsland, 174 000 cubic metres; Central, 115 000 cubic metres; Midlands, 70 000 cubic metres; and Tambo, 54 000 cubic metres a year. Other areas from the Otways to Mildura are also included in the schedule.

There is a great deal of benefit in laying on the table scientifically-based estimates of sustainable yield which a government of the day is prepared to guarantee for commercial utilisation over coming decades. There will always be debate about whether the figures outlined by the government in the Third Schedule are completely accurate. In representations to the Opposition some groups have argued the figures are unrealistically high. Basing their research on exactly the same forest areas, others have said the figures are too low. Having debated the issue in the party forum, the Opposition believes it should rely on the government's figures and Parliament should make a statement by which others can be guided in the years ahead.

The Third Schedule can be regarded as a major turning point in the conservation and forest debate in Victoria.

The original Bill distributed by the government was flawed in that it did not provide for Parliament to disallow regulations and to review any decision of the Director-General of the Department of Conservation and Environment about the classification of sawlogs into different grades. The Opposition is pleased the government has now incorporated in the Bill, at the suggestion of the Opposition, the ability for Parliament to review any decisions made by the director-general which are now in error in that area. It is a highly complex field, but the Opposition was insistent on ensuring Parliament had the final say should the director-general make a mistake about sawlog classifications. That should not be left to a department.

The Victorian Association of Forest Industries was one of the groups whose advice the Opposition sought. In its summary comment on the Bill the association made it clear it wanted it to be passed promptly. It made suggestions for change and made it clear it was important for the industry in coming decades to be able to rely on a legislative instrument passed by all parties in Parliament rather than relying on individual contracts and licences or press releases issued by Ministers. The statutory document the association desires is now before the House.

The association also made it clear it viewed the Bill as setting precedents of which the Land Conservation Council should be aware; it believes the Bill sets precedents other

governments will inevitably have to follow. That was a strong view that was put to the coalition by the Victorian Association of Forest Industries and others.

Representations were also made by organisations such as the Victorian National Parks Association. In a letter of 22 November the association says:

> The VNPA is most concerned about the implications of the Forest (Timber Harvesting) Bill recently introduced to Parliament. Our concerns are two-fold, first that the Bill will overcommit the forest resource and second that the Bill contains no environmental safeguards, even though the term "sustainable yield" is used in the purpose of the Bill.

The variety of input received by the coalition was indicative of the keen debate about these issues in the community. Many differences of approach were taken but we believe, like the Labor Party, that there is an overwhelming feeling in the community that there needs to be a Parliamentary statement made on access to the resource on the basis of sustainability.

The Bill also includes provisions to deal with protestors who in the past have campaigned against timber harvesting in certain areas, not timber harvesting in national parks or State parks, because with the rare exception of once-overlogging that does not occur. Timber harvesting occurs in many areas that have been designated by the Australian Heritage Commission as part of the National Estate. The Minister has made it clear in his public statements that the legislation will provide that protesters could be removed from such areas. The Bill provides that a person will not be able to "hinder or obstruct" another person in the lawful carrying out of forest operations. Forest operations are defined as being the taking of forest produce from Crown land or activities associated with that taking.

No honourable member will oppose the right to protest; no honourable member will say that freedom of speech should be curtailed. However, commercial activities that have been supported by Parliament which are conducted in a lawful manner should not be stopped by people who are acting in an unlawful manner.

Hon. P. R. Hall—People have a right to work!

Hon. M. A. BIRRELL—As Mr Hall has said people do have a right to work. Members of the Australian Timber Workers Union made it clear that they want the right to work. They strongly support the proposal that the Police Force can remove protestors who are unlawfully hindering the lawful actions of a worker.

The coalition welcomes the proposal but, as subsequent coalition speakers will indicate, there is some doubt about whether the clause will work in practice. That will be on the head of the Labor government.

In summary, the coalition has approached the Bill by recognising the sensitivities of the issue and also the fact that a lot of water has passed under the bridge and people are in a position where they can reach clear and unequivocal conclusions. The legislation is a clear and unequivocal conclusion that there is a need for guaranteed sustainable yield. The coalition supports the Bill and we look forward to its operation during many years ahead.

Hon. P. R. HALL (Gippsland)—The timber industry has long been subject to the whims of the government of the day. As Mr Birrell pointed out in his remarks, it appears that the policies of the government have changed regularly over recent years and they have created uncertainty within the timber industry. No area has been more affected than the area I represent in East Gippsland. Those involved in the forest industry have been subjected to savage and irrational cutbacks in sawlog quotas and that has created much uncertainty and it has led to the closure of sawmills in East Gippsland and the loss of jobs within the industry.

In a conversation I had this morning with Mr Jim Lynch, the Secretary of the Australian Timber Workers Union, he pointed out that the union had lost 800 members during the past three months out of a total of approximately 6000. That will give the House an indication of the cutbacks and the uncertainties that has caused the loss of employment within the industry.

The timber industry in 1987 thought it knew where it stood when, as part of the timber industry strategy, the State government made an unequivocal statement that logging in the National Estate areas outside national parks would continue as legitimate sawlog operations areas.

However, in February this year amid a wave of anti-logging protests, with the Federal elections fast approaching, the environmental vote suddenly became all important to the Federal Labor government and the timber industry was betrayed once again. It was announced in February that logging in the National Estate areas would cease immediately for the 1989–90 cutting season and that yet another review would be undertaken. There have been many reviews and classifications in East Gippsland—to examine whether there were any alternative sites for producing the guaranteed supplies of sawlogs. The decision had its genesis in the timber industry protests that took place in February this year. I am sure most honourable members will vividly remember the logging trucks and impressive logging equipment that lined Spring Street in front of Parliament House.

The review took place and finally the industry heard its results when they were released on 11 October by the Minister for Conservation and Environment when he outlined details of the timber harvesting arrangements for East Gippsland. One significant outcome of that review was that there was to be an additional 6450 hectares of National Estate areas added to the national parks, which meant the loss of 240 000 cubic metres of prime sawlog material to the timber industry. Of course the industry was not happy about the decision. It had already suffered many cutbacks in sawlog quotas and to have another 240 000 cubic metres of sawlogs taken away from it was just about the last straw. Once again it was forced to express its concern and resentment about the decision publicly.

The legislation is an attempt by the government to redress some of the concerns that were expressed by the industry. If the government can be trusted to keep its word on its latest agreement, at least some security may be restored to the industry. The industry has been looking for that security for many years. If the government can keep its word on the legislation to some extent that security will be provided by legislation.

It is refreshing to read some of the comments made by the Minister in his second-reading speech:

> . . . to encourage and assist the development of an environmentally acceptable timber industry . . .

The words "environmentally acceptable" are important. It shows that the Minister recognises that the industry is an environmentally acceptable industry and that is the message we must get across to the general public.

The timber industry is, and should be seen as being, environmentally acceptable. In his second-reading speech the Minister also said:

> A legislated commitment to provide long-term resource security is desirable to engender confidence in the development of a viable industry on which a stable regional economy can be based.

Long-term security is important because no business or industry can survive without a business plan. The timber industry needs such a plan; it needs to know about future guarantees, and to some extent the Bill meets that need. The Minister also talked

about creating a viable regional economy. The economy of East Gippsland is highly dependent on the timber industry and goes up and down with the fluctuations of the industry. Stable economies are vital to the health of regional Victoria and the legislative guarantees for sawlog quotas will provide some stability.

In his second-reading speech the Minister for Conservation and Environment outlined the intent of the Bill. Some of its main features include a requirement for a specified volume of sawlogs to be provided from each of the fifteen forest management areas in the State. The Leader of the Opposition in this House, Mr Birrell, read into *Hansard* some of the specified volumes able to be taken from each of our forest management areas. Those volumes will be stipulated in the Third Schedule of the Forests Act and will give guidelines to the industry about what it can expect to extract from our forests over the next fifteen years.

The Bill also includes mechanisms to vary the volume of sawlogs made available from one year to the next. However over fifteen years the overall volume to be extracted will remain fixed. That is a sensible provision because in some years less than the quota might be needed and in other years more might be needed. The Bill also refers to the volume of sawlogs to be made available being based on the estimated sustainable yield that can be produced each year without impairing the long-term productivity of the land. I commend the attempt to explain the meaning of "sustainable yield" because I doubt whether many members of the public understand that the timber industry is a regenerative industry that depends on sustainable yields for its continued operation.

The concept is similar to the way my wife tends her vegetable garden: each year she plants her vegetables, harvests the crop when it has ripened and then resows more vegetables. Each year trees in our forests are cut down and over a longer time—up to 80 years—the forests regenerate and the cycle begins again. When parts of a forest are clear-felled they look barren and desolate for some time; but it takes only one or two years for regrowth to be visible, which encourages animals back into the forest. The felling of trees is an essential part of ensuring healthy forests. Chopping down trees is part of a natural cycle——

Hon. Jean McLean interjected.

Hon. P. R. HALL—It is a natural cycle in the same way that picking flowers from a garden to put inside in a vase is a natural cycle, because that encourages the flowers to grow.

A disallowance provision has been included in the Bill so that either House of Parliament can disallow any amendments to the sustainable yield made by the Governor in Council, which is important.

Clause 6 deals with the offence of hindering or obstructing forest operations, which will enable those people who deny timber workers their right to a fair day's work in our forests to be brought to justice. We all remember the recent demonstrations in our National Estate forests where protesters endangered themselves and timber workers and prevented the timber workers from doing a full day's work, which led to the curtailment of felling in those areas. I do not believe anyone has the right to prevent another person from doing a legitimate day's work; and anyone who does so should be punished.

I am not confident that clause 6 will be effective. From some areas of the National Estate forests in East Gippsland the nearest Magistrates Court, in Bairnsdale, is up to 5 hours drive away. If those who disrupt legitimate tree felling are to be prosecuted it may be necessary for some timber workers to attend the court to identify the offenders,

making it likely that they will again be denied their right to a full day's work. I support the intent of the clause but I doubt whether it will be effective.

Although the Bill does not refer to woodchipping it is a related matter because an announcement made about the time of the introduction of the Bill by the Minister for Conservation and Environment indicated that a ban on the removal of sawlog residue would be lifted and that an extra 800 000 cubic metres of the material would be available to Australian Paper Manufacturers at Maryvale to expand its papermaking plant.

Members of the opposition parties have long criticised the government for failing to fully utilise our forest products. For years the residue that bulldozers have forced into piles, which are then set fire to, has been wasted. If the resource were properly used the State could earn millions of dollars. I shall quote from an article in the *Age* of 3 July this year written by Michael Barnard, because it clearly illustrates the point I am making:

> Take, for instance, the scandal of our forests. Each year taxpayers money, in the form of sawlog offcuts and unproductive, fire-damaged or dying trees in designated logging areas, is literally burnt. Yes, burnt or otherwise destroyed because the government, with limited exception, will not allow such "waste"—"waste" merely meaning unsuitable for saw-logging—to be processed for woodchips.
>
> By industry estimate this idiocy results in about 1.5 million tonnes of pulpable material being lost each year, denying the Victorian timber industry an export opening worth around $100 million, which would bring royalties to the government of something like $12 million annually, and support hundreds of rural jobs. And note, emphatically, we are not talking of extra felling, not even one extra tree, but merely full utilisation of that which must be cleared for proper regeneration in approved felling areas.

In a State which is as financially strapped as Victoria I agree with Michael Barnard's comments that it is an absolute waste when the government could earn an extra $12 million annually for the State of Victoria by fully utilising the residual material that is pushed into piles by bulldozers and burnt on the forest floor. It could earn this country $100 million a year in export income. Honourable members on this side of the House have been saying for many years now that it is a sensible move—it is essential! It is not cutting down one extra tree but simply fully utilising the available resources.

As a last comment Mr Barnard says:

> This shocking extravagance flies in the face of good conservation husbandry. It ignores the crucial finding of the independent Victorian Timber Industry Inquiry—set up by the government—that integrated harvesting, as opposed to sawlog-only harvesting, would represent a substantial gain in net social benefits, "sufficient to outweigh any possible social cost incurred in terms of environmental effect".

Despite Mr Crabb's announcement on 11 October that 800 000 cubic metres of residue sawlog material would become available to APM at Maryvale for use in its paper plant, a significant resource still remains unused in the East Gippsland area. I base my figures not on information from the industry but on government figures. Eighteen months to two years ago when the government approached APM and North Broken Hill Holdings Ltd to do feasibility studies into a pulp and paper project in East Gippsland it indicated 1.4 million tonnes of sawlog residue was available on the forest floor for use in a pulp and paper mill.

On 11 October Mr Crabb said APM Maryvale could have 800 000 cubic metres, which would leave at least 600 000 cubic metres to rot or be burnt—an absolute waste! Certainly the 800 000 cubic metres processed by APM Maryvale would bring in some export return, but the benefit to Victoria and Australia would not be as great as it would from allowing a pulp and paper development in East Gippsland.

It seems "woodchips" is a dirty word to some people in Victoria, but I point out that Victoria now exports 700 000 tonnes of woodchips, and they all go to Japan. At the

moment woodchips are exported at a price of $79 a tonne. Four tonnes of woodchips—$316 worth—can be processed into one tonne of pulp worth $850. One tonne of pulp makes a tonne of paper with a value of $1400. Each $316 worth of exported woodchips from Australia has a value-added potential of $1400 as exported paper product if a plant were available to process it. That is taking the value-added principle to its logical end and is why I believe strongly Australia could fully utilise that resource by establishing a mill in East Gippsland.

Under the proposal announced by the Minister to allow 800 000 cubic metres to be processed by APM at Maryvale the economic benefit will be transferred from east to central Gippsland and insufficient resources will be left in East Gippsland to make a pulp and paper mill viable. Victoria and Australia would have been better off if we had taken a hard line and established a plant in East Gippsland to fully utilise the 1.4 million tonnes of residue timber the government says is available.

Hon. R. J. Long—What about the damage caused to our roads in the process?

Hon. P. R. HALL—As Mr Long points out, it seems ludicrous to transport the material from East Gippsland to APM, Maryvale—probably a 5 or 6-hour drive from some of those areas—when the heavy vehicles cause untold damage to the road network between those two places.

My views about pulp mills are shared by the Federal Minister for Resources, Mr Griffiths. Some government members would be interested to hear Mr Griffiths's comments. An article on this issue which appeared in the *Age* on 26 July of this year quotes Mr Griffiths, and says:

> There were good economic as well as commonsense reasons for having pulp mills in Australia. He said it was a disgrace that Australia's imports of paper products were $1.6 billion a year more than its exports, which made up about 8 per cent of our current account deficit. It was also "quite insane" that Australia imported paper products containing "many hundreds of times" more value added than the raw material it exported.

That is talking about the example I gave earlier about exporting $316-worth of woodchips that we could have turned into $1400-worth of end product. The article goes on to say:

> Paper production was an important value-adding industry that would create additional job opportunities and improve the trade situation, he said. Mr Griffiths admitted that his views might be "a bit unpopular" with conservationists, but questioned the logic of their opposition to further development of the timber and paper industries in the context of protecting the global environment.

Mr Griffiths and I share the same views. We could have done a lot more for the timber industry had we pushed value adding to its logical conclusion and established a pulp and paper mill in East Gippsland.

In conclusion, the Bill is helpful to the timber industry and deserves the support of the Opposition. The timber industry can do much to contribute to Australia's current economic situation and is deserving of much greater support than has been given by governments in recent years. Timber is a wonderful renewable natural resource and should be utilised to the full. I hope in the future governments of the day recognise the importance of the timber industry and do all they can to enhance it, rather than hindering its operation.

Hon. R. A. MACKENZIE (Geelong)—This is an important Bill. Last night the House passed another important Bill: the Mineral Resources Development Bill. There is significant public interest in the Mineral Resources Development Bill and it resulted from around two years of negotiations. The Bill before the House is also in that category so far as importance goes but unfortunately not in relation to consultation. Further consideration needs to be given to the Bill. I do not think there would be a

member in this House who would not agree with and support the principles contained in the Bill. Who can argue against sustainable yield? It is just commonsense. We cannot apply sustainable yield to the mining industry because once the minerals are taken out they are gone forever.

In the production of timber it is possible to obtain sustainable yield. It has been done in several areas of Victoria for a considerable time, in the Otways and in the Wombat State Forest. It is to the credit of the timber industry, particularly in the Otways, that it took a voluntary reduction in timber allocations so it could achieve sustainable yield and there would be the right number of mills harvesting the right amount of timber. It must be the aim of every conservationist and timber industry person to work towards a proper plan involving this important principle of sustainable yield.

My arguments are not so much against the Bill, but I believe there needs to be further consultation and work on it. There are some discrepancies in some of the figures and in this area there are a lot of variables. Even with scientific equipment and aerial photographs it is impossible to ascertain precisely the amount of timber available in any given forest area. Some of the old records in the former Forests Commission show there had been variations of 30 per cent over or 30 per cent under. That is a remarkable variation so one has to tread very carefully. Once it is enshrined in legislation it has to be right.

There also has to be some degree of flexibility to allow for variables that may occur such as bushfires or some unpredictable disaster that can take away thousands of hectares of timber resources. Serious consideration should be given to that. I will be arguing for delaying the Bill until the next sessional period—and I will be arguing that again when the question is put to move into the Committee stage—on the ground that there is no urgency. The 1990-91 timber season has commenced and allocations have already been made, so this Bill does not affect those allocations. There is no urgency so far as the industry is concerned. A delay until the autumn sessional period will not affect this legislation.

A second argument I put is that the Bill pre-empts the findings of the Resources Assessment Commission. That commission will report on the availability of timber and other resources in February 1991 so, again, the autumn sessional period would be ideal. The Bill also pre-empts the forest management processes that are currently being undertaken.

There are concerns expressed to me in regard to some aspects of the Bill. Sustainable yield goes back a long way. I found an interesting article in the library with regard to sustainable yield that said it goes back to ancient Greece. This was in a book called *The Politics of Sustainability.* Donald Hughes, an historian, wrote that the Greeks were keen on sustainability. So important was the practice to the Greeks they had provincial governors who were rewarded or punished according to the look of the land. When the authorities visited a particular province if there was any sign of soil erosion or bad farming practices the governor was severely punished.

Hon. Robert Lawson—That would be disastrous for the National Party.

Hon. R. A. MACKENZIE—So the governor made sure the land was well cared for and well looked after and that proper farming practices took place. The book states:

> It is because the earth has her own law, a natural law in the original sense of these words, deeper than human enactments and beyond repeal . . . Who treats her well receives blessings; who treats her ill suffers privation, for she gives with even handed measure. Earth forgives, but only to a certain point, only until the balance tips and then it is too late . . .

Hon. D. M. Evans—Did they cut the Trojan Horse in half after they read that?

Hon. R. A. MACKENZIE—If one moves 2000 years further on there is an example at the turn of the century in the United States of America where President Theodore Roosevelt's chief adviser, Gifford Pinchot, made this statement:

> Conservation advocates the use of foresight, prudence, thrift, and intelligence in dealing with public matters. It proclaims the right and duty of the people to act for the benefit of the people. Conservation demands the application of commonsense to the common problems for the common good.
>
> Conservation is the foresighted utilisation, preservation and/or renewal of forests, waters, lands and minerals for the greatest good of the greatest number for the longest time.

What honourable members are talking about now is something that is very important and we must be very careful that what is being put into legislation is right. I refer to a report made by the former Ministry for Planning and Environment of the Value Adding Utilisation System Trial for the former Department of Conservation, Forests and Lands in June 1989. This panel carried out an inquiry, interviewed many witnesses and heard submissions from numerous people who came forward. This substantial report relates to the subject that Mr Hall was talking about earlier and some of the findings are very interesting. It refers to the deficiencies in the current state of knowledge. The report states:

> Review of both the submissions and of published reports revealed some significant gaps in the current state of knowledge—of which the following could be of particular concern:
>
> (i) the effects of scale and pattern of logging on flora and fauna;
>
> (ii) the long-term effects of logging practices on flora and fauna (clearfelling has been in use for less than 30 years in most of the East Gippsland forests and the panel is unaware of any long-term programs for monitoring indicator species being in place);
>
> (iii) current knowledge is inadequate to permit the development and implementation of management plans that will guarantee the survival of most endangered vertebrates, especially the long-footed potoroo . . .
>
> (iv) lack of research attention to alternatives to clearfelling in multi-aged forests;

There was concern by that panel about the availability of information and its accuracy. That is another reason why I think this legislation should be delayed until honourable members have a further look at some of the proposals put forward in it.

Mr Birrell mentioned another concern expressed by several conservation groups about the Forests (Timber Harvesting) Bill. Their concerns are twofold. The first is that the Bill aims to enshrine in legislation logging allocations that cannot be met without severely compromising conservation values. At least in some areas the Bill commits the government to supplying timber that in many cases may not be available. Figures presented by the Department of Conservation and Environment show an existing clear overcommitment in East Gippsland. In addition, assessments of timber value may be incorrect by as much as 30 per cent due to incomplete information on growth rates and limited on-ground surveys. Yet the Bill allows for only a 2 per cent variation. Already serious conflict has arisen because timber has been allocated leaving insufficient flexibility to cater for rare species and significant sites.

The second concern is that the Bill makes no reference to the timber industry strategy and the State conservation strategy. The government has made a statement and given a commitment on both those strategies. Documents prepared on them state that management needs to be sufficiently flexible to provide for a sustainable level yield of timber and non-timber components to be retained at adequate levels. In relation to timber, this represents the maximum volume that can be produced without compromising the sustainable level of the other values.

I am sure Mr Birrell and members of the government could not argue with what has been stated. The government certainly could not argue with it, because they are government publications. Although I hope the Bill will not progress to the Committee

stage, if it does I shall move amendments to try to embody in the Bill the principles to which I have referred.

We have come a long way. In 1982, when this government came to office, no overall plan existed for the timber industry. From 1982, the government has worked hard to bring some degree of stability to the industry. It has been a long and tortuous process. When the government came to office no forest management plan of any description was in existence; allocations were made on a one, two or three-year basis. If the number of mills then operating had continued to cut timber at the rate they were cutting in 1982, in a year or so they would have been right through East Gippsland.

The government established several inquiries. The first was an inquiry into the timber industry conducted by Professor Ferguson. It represented a significant step forward as it was the first time the timber resources in this State had been considered in their entirety. People from all walks of life who had an interest in the timber industry—conservationists, timber workers, timber industry representatives, and the general public—had the opportunity of contributing to the discussion on our timber resources. Again I place on record the debt owed by this State to Professor Ferguson for the work he put into conducting the inquiry.

It was acknowledged that an inquity into the timber industry could not be usefully conducted if people did not know what resources were available and which areas needed to be allocated for designation as national parks. Therefore, running almost parallel with the timber industry inquiry was an investigation by the Land Conservation Council into possible future national parks. It was hoped when the two inquiries were concluded a concrete plan could be established for the timber industry. It was hoped also that areas that should be conserved would be set aside and everyone would know where they were. It was not expected that everyone would agree with the plans but at least the industry would know what its future was and what rationalisation would need to take place. The conservation movement also would know which areas were set aside and what would be protected. It was hoped further that appropriate plans could be established and the sustainable yield being discussed in the debate on the Bill could be determined.

The establishment of the grand plan has had several hiccups. Honourable members must bear in mind that the situation involves many variables and that unexpected problems will arise. The government introduced a reform that stipulated that any area that had not had more than 50 per cent of its timber logged must be subject to an environmental effects assessment. It would be checked by a range of scientific experts who would ascertain whether any flora or fauna of significance would be endangered by logging, so the timber industry would not inadvertently destroy something worth protecting for all time. The proposal was good and sensible and was supported by the industry as it represented a step forward.

After all the work that had gone into preparing the plan, I was disconcerted to learn of the decision made by the Australian Heritage Commission. The studies carried out by the commission did not range widely enough. I realise that the designation of certain areas as being of national heritage importance was considered to be a victory for the conservation movement, but I considered it to be a hollow victory because the decision was based on an insufficiently wide study. It cut across a large volume of work that had been done before.

As I said, the proposed legislation is important. Although it contains some faults, they can be easily rectified without altering the principles of the Bill; no-one would argue against its principles. However, the Bill must ensure that values other than timber are

considered in the concept of sustainable yield. It is just commonsense to talk of non-timber values when discussing timber and the forests. I hope the government and the Opposition will accept the amendments I shall move during the Committee stage.

The only thing left to talk about is what is probably the most controversial clause in the Bill, that is clause 6, which relates to hindering or obstructing forest operations. I have great difficulty with the clause because I find it difficult to support the enshrining in legislation of anything that might restrict a person's right to protest against something with which he or she does not agree. I acknowledge that ugly incidents have occurred in East Gippsland forests; I have been involved in some of them. However, a better way exists for dealing with protests than by enshrining a restriction in legislation.

My experience is that most of the conflict in forests does not occur intermittently. Generally the conflict is experienced over a period. Concerns build up, perhaps starting because conservationists recognise an area as having some significance, unbeknown to the planners. It might be considered timber harvesting should not be allowed in such an area although it has been allocated for harvesting and the timber workers are preparing to move in. Time still exists to try to get the parties to talk to each other and seek to establish a compromise. If that fails and the situation gets out of hand, with protesters acting irresponsibly and preventing the activities of ordinary citizens, certain regulations can be brought to bear on the situation.

One of the attractive features about regulations in this instance is that as soon as an incident has been resolved the regulation can be taken from the books with the stroke of a pen. No-one is being denied. My worry is that legislation could be used against people who have a legitimate and democratic right to be in an area—perhaps in a protesting role! I have a concern that once it is written in this way into the statute book it could lead to a restriction on freedom of expression in forest areas.

I congratulate the government and I am very pleased with the support given by the Opposition to the Bill. It is a very important piece of legislation. I suppose it is like supporting motherhood—it is something everyone believes in.

Hon. D. M. Evans—And fatherhood.

Hon. R. A. MACKENZIE—Yes, and fatherhood. No-one has any objections to principles being enshrined in the legislation. We could have it both ways: we could ensure that other safeguards are safeguarded, and I will be moving amendments if the Bill goes to the Committee stage. However, I will be arguing that the government should lay over the Bill until the autumn sessional period to allow further consideration and some tidying up of the legislation.

Hon. D. M. EVANS (North Eastern)—The Bill deals with two important issues in the hardwood timber industry in Victoria. Firstly, it legislates for sustainable yield by district, giving greater certainty to the industry and a greater ability to plan and use the best, the most modern, and the safest technologies in the hardwood timber industry. Secondly, it creates a new offence of hindering or obstructing in the forest areas.

In dealing with and understanding the legislation, and the reasons for it, we need to ask ourselves—and to answer honestly—one fundamental question: do we need a timber industry? In my view, and I think the majority of members of Parliament would share my view, the answer is a definite yes, that we do need it. There are good reasons why that answer should be yes.

About 8 per cent of Victoria's manufacturing industry, or about 50 000 people, are directly or indirectly involved in the timber industry and in the processing industry based on the timber industry. Secondly—and Mr Hall earlier commented on this fact—Australia currently imports about $2.1 billion worth of timber and timber

products each year. The value of that timber and timber products is continuing to rise. We have to rob the forests of the rest of the world to obtain those clearly needed requirements of timber and timber products.

It is clear that not all the forests in every country on earth are as well managed as are the forests in Australia. Indeed, the forests of the world are disappearing at an alarming rate as clearance for timber production—particularly to make up for population expansion and requirements—continues. Yet Victoria's forest regions are relatively stable. There are arguments as to whether it is slowly increasing or decreasing, but the change is very small and increasingly the community is planting more and more trees, particularly in the countryside.

Not only is the forest industry and the timber industry valuable but also—as many speakers have said—it is dependent on a renewable resource. The timber industry recycles carbon dioxide; it neither adds to nor subtracts from the amount of carbon dioxide in the atmosphere. A fully sustainable timber industry means that if an old tree is cut down a young tree should grow in its place. Indeed, unless the old tree is cut down it is unlikely that a young tree will grow. We must repeat the cycle and renew the next generation. If we are to have a timber industry we must have trees but increasingly, because of legislative provisions in the State, areas are not available. That is caused not only through the creation of national parks but through requirements such as timber harvesting governed by the code of forest practice that was passed by Parliament about eighteen months ago.

Some people say that instead of using our native forests we should use plantation forests for our requirements. We must balance and compare that against our current imports of $2.1 billion of timber and timber products. At present Victoria has approximately 200 000 hectares of plantation forests—about 50–50 private and State-owned forests.

If Victoria is to increase its forests timber production, and close the gap between imports and local manufacture, and increasingly replace the use of native hardwood forests by plantation forestry, we will have to grow much more than can be produced on the current 200 000 hectares. That cannot happen overnight. It needs a very long lead time—at least 12 to 15 years—before any pulpwood harvesting can take place for processing purposes.

The first product from Victoria's pine forests takes at least 12 years; if we are to escalate sawlog production, in the case of softwood 25, 30 or 40 years are required while in the case of top quality hardwood production we need 70 or 80 years, or even more. If we do not have the trees in the ground, and growing now, but plant in the coming year, maturity will take between 30 and 80 years depending on whether we want hardwood or softwood from the plantation forestry.

We must balance that equation against the current concerns with pines in particular, which are the quickest-growing major softwood currently used in Australia. Extreme concern is being expressed by the farming community about the possibility of pines being planted on private land, either by the person who owns the land or by the State following the purchase of private land.

I need point only to recent demonstrations in the Strathbogie Ranges, the Tallangatta Valley and the Otway Ranges. If we intend to increase our public plantations of forestry on public land, we must immediately expect protests from the conservation movement. Someone will protest regardless of whether we do or do not intend to plant additional pines for plantation forestry.

I offer this opinion: this issue has been blown out of all proportion through some very ham-fisted decisions by the government about two or three years ago. Unfortunately,

it set one section of the community against the other, and the government has placed a substantial limitation on plantation forestry increases since that time. Those who would want plantation forestry are already facing a severe inhibition in which they themselves are playing a leading part. Also, it appears that National Party suggestions that we should increase waste water forestry, particularly the waste water forestry concept in Werribee by using sewerage from Melbourne, does not seem to have taken off. No-one seems particularly interested in it but I believe its potential is immense.

Some would say that public land should be public land, and that we should pay proper attention to conservation values there. Mr Mackenzie has just spoken about this and I am sure other honourable members will agree. I will examine the facts. At present Victoria has about 35 per cent of public land—about 12 to 13 per cent of the total—in national, State and other similar parks, and in other restricted areas.

Considerable additional areas of land are not available for timber harvesting because of logging prescriptions under the Code of Forest Practice for Timber Production which includes areas that are too steep, on streamside reservations or are required for various conservation purposes. Furthermore, very substantial areas are not available simply because the timber growing on them is not suitable for timber purposes, so a relatively small proportion of the total area of public land is currently used for timber production.

I accept that there is a need for national parks, State parks and various restricted areas and for them to be enshrined in legislation. I have voted for them in this House from time to time. However, I cannot accept that logging or any other timber harvesting process necessarily either does or should destroy the forest and the conservation values it contains. The worst that can be said of logging is that it destroys the existing forests. Then one has to say that wildfire, which plays such an important part in Australian forest ecology, does exactly the same thing.

It is interesting that many areas which were logged 50 or 100 years ago, including areas that were clear-felled and have now returned to forest, are regarded as very attractive areas by even the most ardent conservationist. The Wombat State Forest near Bendigo is one example, and there are many such forests in my own electorate and in Gippsland. For many generations nature has produced the most attractive forest areas, despite the destruction man has wrought in the past 50 or 100 years and despite the destruction wrought by nature, and I point to the Blackspur area north of Melbourne which was totally destroyed in the 1939 bushfires. Most people would agree it is a most beautiful area of forest and there is no sign of the destruction that took place on Black Friday in 1939. In fact, a well-managed forest—and nobody can ever suggest we should do anything these days but manage our forests well, nor that for the past fifteen or twenty years that has not been the aim of foresters—and well-managed logging, which is mimicking nature's own destructive capacity, can enhance conservation and complement the parks that are set aside by legislation. It can help to provide the mixed-age forests that are essential to preserve the many conservation values. That is how nature has worked for millions of years. Each age of the forest has its own population of fauna and flora which are specifically designed to take advantage of the conditions that appear from time to time. As those conditions change, so the species vary, go into decline or move to another more suitable area.

Perhaps the best example I can give of that is the Leadbeater's possum, the faunal emblem of Victoria. Following the 1939 bushfires it was believed to be extinct, but it was rediscovered fifteen or twenty years ago and seen in substantial numbers. Over recent months I have discussed this with foresters who have been researching the possum and I understand the species is again on the decline. The reason is that the age of the forests in which it thrives—the possum having been displaced from the coastal areas which were its natural habitat prior to white settlement—are reaching maturity

and are no longer providing the preferred habitat of the possum. Unless there are some new young forests the possum will again be under threat because its habitat will not be there.

It would be fair to say that in having a good timber industry not only economic imperatives are met but, given good management and proper understanding, there are substantial conservation advantages. That makes sustainable yield very important and is the key element in the Bill. It sets in legislation, with the agreement of all political parties, the development of sustainable yield. It will further indicate to future inquiries which may be carried out into public land use management that Parliament has set a certain standard and requirement.

The schedule sets out sustainable yields for a fifteen-year period of 743 000 cubic metres of timber each year. That they must be taken into account by the Land Conservation Council or any similar or successive body when it makes recommendations following inquiries into land use management in Victoria. The Land Conservation Council in future has been directed as a result of this legislation to be aware of the need for timber production and to take it into account in making its recommendations.

In discussing the actual allocations of sustainable yield for the various districts, the coalition Bill committee met with two different groups. One was a group representing conservation interests, and it claimed that the amount of timber required to be provided under the legislation in the East Gippsland area—174 000 cubic metres per annum—could not be met. The group presented a document which purported to prove its case. To my knowledge that claim has not been supported by anybody else, and it is certainly strongly refuted by the timber industry. I am inclined to believe that the people who advise the government and the Ministry should be experienced and expert people and should know what they are on about. Unless we are prepared to say they do not know their business I believe it is reasonable to accept the figures they put forward. If they or any others should prove to be wrong or if some natural event like a bushfire should change the availability of timber, there is a process in the legislation that allows this provision to be changed, but it has to be done after public debate and with the opportunity for the forum of the Parliament to make a judgment.

The other possibility, with the claims of the conservation movement that the East Gippsland commitment is more than can be met, could also be taken to mean that pressure for increased areas of parks in East Gippsland in substantial quantities will continue. I again point to the fact that more than one-third—some 35 per cent—of public land in Victoria is currently included in the restricted management areas of parks, the National Estate and so on.

The conservation movement could also claim that the demand for timber is down. It is not as high as it was a year or two ago, and certain reasons are advanced for that. One is that alternative building materials are being used. I point out that the alternative building materials are generally less environmentally friendly than timber because they require substantial amounts of energy—particularly aluminium, steel and bricks—from non-renewable sources, and during the manufacturing process make a substantial contribution to the carbon dioxide load in the atmosphere and the greenhouse effect.

We cannot have it both ways. Trees have the advantage of recycling carbon dioxide. They are a fully renewable source. It is true that there is a decrease in current demand for building timber. The Victorian economy is in dire straits. People in the building industry do not have the money to build houses this year and perhaps all of next year as well to meet the housing demand in this State. That is a sad fact. People will not have jobs because necessary construction will not take place. The housing so desperately required by many Victorians will not be built within the next twelve months or so.

The timber industry will feel the effects through lack of demand. That should not be something we should advance as a reason to reduce the logging level in the timber industry. All honourable members should deplore the current position. If we have homes of our own we should feel sorry for those who do not and, because of economic conditions, will not have a home this year or next year. It is a cyclical matter. The demand for homes will increase as prosperity increases in due course.

The proposed legislation deals with a number of other requirements, including setting grades of timber: A, B, C, D and E class logs. Some honourable members expressed concern that, to meet the legislative requirements for sustainable yield in the various districts by changing the classification of logs—increasing the classification of a D class log to a C or B class log—it would be easier to meet the requirements of the schedule. If there is to be a change in the way logs are graded, it is essential that a public process be put in place. As a result of that concern amendments were suggested in the other place and agreed to by the government. I am pleased to report that again a public process will be available.

The second provision to which I refer is clause 6 which proposes severe penalties for hindering or obstructing forest operations by inserting new section 95A in the Conservation, Forests and Lands Act. Some people hold the view that, if they cannot win their case by argument and by proper processes—and there are plenty of ways to put one's argument and plenty of processes—and if they have the conceit to believe they are right and everybody else is wrong, they can take the law into their own hands. These people create a danger to themselves in order to impose their will on the community, despite the fact that the decision-making process has gone against them after due consideration. Some people believe they are entitled to put themselves into a position where they can create dangers to themselves and to the people carrying out lawful operations and going about their tasks. These people are virtually saying that they are going to stay in that dangerous position and, if the law-abiding operators want to injure them, they dare them to do it.

I reject that process. I agree people have a right to have their opinions made known. The community accepts that people have the right to protest, but there are fair and proper ways in which to exercise the right to protest: people can march down the streets of Melbourne; they can gain media attention; crowds can mass outside Parliament House; people can hold protest meetings and ask government representatives to address them or meet with their representatives; all Victorians have the opportunity of lobbying their members of Parliament. A whole host of avenues is available. But, in my view, one should not put oneself in the position of impeding those who are going about their lawful business.

In an endeavour to take their views to the community some people are prepared to drive spikes into trees so that, if a saw cuts into the tree, it is likely to fly to pieces and endanger the lives of people working in timber mills. Some people are prepared to damage heavy machinery and equipment by pouring sand into the sump and so on. People going about their legitimate business are having to put up with having their equipment damaged by these protesters. The National Party rejects that as unacceptable. We all have the right to make our views known but there are clear ways in which to do so. In that sense the National Party supports the philosophy behind clause 6, which proposes a new section to deal with persons who hinder or obstruct forest operations.

It is interesting that the provision creates an offence of hindering or obstructing an activity. The Victorian Field and Game Association, in a letter of 15 November to the

Leader of the Opposition, indicated that the principles in the clause are worth noting. That letter states:

> The government is to be commended for acting on this issue of public safety in relation to forest protests. It is apparent to us, however, that there is a great similarity between the forest protest situation and the duck opening protests when public safety is being considered.

The letter also states the association believes there is an even greater danger on those occasions and that the Bill should be extended to provide similar provisions to apply to people who want to hinder shooters who legitimately have a right to participate in duck hunting.

I have been asked whether the fine of $2000 provided in clause 6 is excessive. If one compares it to fines imposed on people who created trouble in the old Bay 13 at the Melbourne Cricket Ground and then had a box-on with a police officer and were given a bond or a $100 fine, perhaps $2000 is a substantial amount. This week the House passed amendments to the Wildlife Act which substantially increased penalties under that legislation. If a person does not give his or her name to a wildlife officer, the penalty is $2000. I suggest that clearly equates with the penalty provided under this measure. I have heard no complaints about the size of the penalty under the Wildlife Act. It seems to me to be a valid and reasonable comparison to make when deciding whether the proposed penalty is adequate and just.

The National Party supports clause 6 but, as my colleague Mr Hall said, has some doubt whether it will work. I understand the Victoria Police also has doubts about the effectiveness of the provision. The National Party's concerns mirror those of the police. No protection is provided for anyone—protesters, police, loggers or departmental officers—in a confrontation.

The forests of Victoria can be dangerous areas. My colleague the honourable member for Gippsland East in the other place referred to what is known as a widow-maker. Following the felling of a tree a branch may hang in the canopy overhead. When you are not looking it falls on you and your wife becomes a widow. That branch becomes a widow-maker! There is a requirement for hard hats and safety precautions in logging areas. The Bill does not adequately provide for that. There is no provision for safety precautions such as hard hats. The police are not given the power to remove protesters from a site. I understand the amendment may affect application of the offence of wilful trespass under current law and that police may no longer be able to ask protesters to move off a site.

There is further concern that in order to prove a crime under this provision it may be necessary to require the loggers themselves to attend court as witnesses to identify those who may be at a protest site. My colleague Mr Hall referred to that matter. Given that some protesters are inclined to get dressed up in Humphrey B. Bear uniforms or other similar funny gear in order to attract television attention, it may be difficult to tell who the person is. Rather than trying to go to court to act as witnesses against such people, the fear of many of us is that that violence, and it is no more and no less than that, may beget violence from among the logging community. We have already seen signs of it and that is not something anyone in this Parliament can willingly contemplate.

There is a real concern that people's jobs, homes and businesses are at risk and that some people may try to take the law into their own hands, and I am not sure that the legislation and the provisions in this Bill will adequately deal with that situation.

Finally I point to the New South Wales legislation, the Forestry Act 1916, and the regulations made under it, which deal with similar circumstances. The headings of the regulations are: directions to leave an area; removal of trespassers; control of persons

and vehicles; reservation for separate or exclusive use; restriction of entry into areas; and damage to the environment. There are a number of other provisions as well.

The provisions in the Bill are simpler than the New South Wales provisions and one wonders whether they will be as effective as those in New South Wales. We sincerely trust they will be. We want to give people the opportunity, through proper lawful processes, to make their view heard and to have properly democratic community judgments made of them. Once that is done we do not believe there should be an untrammelled right for people to take the law into their own hands and to impose their will on the community. Such situations must be controlled by law. The intention of the government is to control obstruction of the forest industry. We hope it works. We think the principle is right and if it does not work further amendments will be necessary at a later stage.

This is important legislation which, as Mr Birrell and the Minister said, has far-reaching implications for the timber industry and the Australian economy. It may be that it will have substantial beneficial effects and that it will be sensitive to all the issues that need to be taken into account in dealing with those matters. I support the legislation.

Hon. ROBERT LAWSON (Higinbotham)—Over the past few decades we have seen a growing controversy about the ecology of this planet. In East Gippsland our own little corner of the planet is being contested between the timber workers and the conservationists. The whole debate has become mixed up with rainforests, the Amazon Basin, the greenhouse effect and the demise of the planet. Some children in schools have now become so brainwashed by teachers that they believe the demise of the planet is imminent and that timber workers are the bogymen who will bring this about.

Within the calm of this Chamber we are trying to improve the situation by passing legislation which is reasonable, which will not damage the ecology of Gippsland and which we hope will achieve the desired outcome. Some of our green friends, who are greener than green, would like us to live in huts in the forest and eat bean shoots, but that is impossible. We cannot go back to the way things were any more than we can possibly give this country back to the Aborigines. It is too late and we have to go on.

What I find most striking is the reversible form of the government. When it came into office in 1982 it was greener than green. It had worked out an alliance with the green movement and various interest groups such as the Council for Defence of Government Schools (DOGS) and all sorts of disparate groups, relying on them to marshal votes and get ALP candidates into office. In 1990 it has been sandbagged by reality. It has discovered that life, ecology and politics are not as simple as it first thought. It has been forced into this position by the timber workers, its own supporters in the labour movement, who have forced the government to reconsider its ideas about logging in Gippsland and in the State generally.

The Bill is the product of that push. In the meantime the government has lost the support of all those groups that supported it earlier, such as the green movement, DOGS and various other interest groups that helped it in the beginning. Coalition members talked to members of the green alliance when discussing the Bill and found they were bitter towards the ALP. They detest it for introducing this Bill and the Minerals Resources Development Bill. They are shocked and horrified at the thought of twenty penalty unit fines being imposed on people who attempt to obstruct logging in Gippsland or elsewhere. They cannot find it in their hearts to forgive the ALP. After all the time and trouble they took helping to get the ALP into power they believe they have been deserted and that things will never be the same.

I read a pamphlet produced by DOGS which makes a scarifying attack on the ALP government and is particularly bitter about Joan Kirner. These allies are falling away because of the legislation the government has been forced to bring in when facing reality.

The forest and green alliance and other bodies are concerned about the Third Schedule in the Bill which sets out the sustainable yield rates for forest management areas, and sets the quantity of timber that can be taken out of our forests from year to year. Mr Evans raised this matter during his speech and mentioned East Gippsland in particular, which is promised a sustainable yield of 174 000 cubic metres a year. The alliance has produced figures and a graph which indicate that the limit that could be taken out of East Gippsland is about 50 000 cubic metres, allowing for stream verges, conservation areas and so on. This is a matter of dispute but they claim their figures are correct. They say a yearly yield of 174 000 cubic metres cannot be maintained.

Forest industries spokesmen say 174 000 cubic metres can be taken. For the first time the government has set down specific figures for the sustainable yield rates in those areas. The industry could not get this concession from the Liberal government in the past. For the first time it has managed to extract the promise from Mr Crabb, the Minister for Conservation and Environment, but whether the Minister or the government can deliver on the figures set out in the schedule is still to be ascertained. It has left behind a bitter conservation movement. Only time will tell whether those figures are right or wrong but the alliance that had operated between the Labor Party and the green movement has disappeared for all time.

Motion agreed to.

Read second time.

Hon. B. T. PULLEN (Minister for Education)—I move:

That this Bill be committed later this day.

Hon. R. A. MACKENZIE (Geelong)—With regard to the Bill being committed later this day, I should like to endeavour to persuade the Minister to have the Bill committed on the next day of meeting in the hope that it will lay over until the next Parliamentary session because, as I said during the second-reading debate, there is no urgency for this Bill. It does not affect this year's logging allocations—it is set up for next year—so there is no urgency within the industry for the Bill to be passed.

Some people, especially those in the conservation movement, have expressed their concerns, and they need to study the Bill further. Also two inquiries are currently being held and will be completed in February. They will have some bearing on the provisions of the Bill. I ask the Minister to give consideration to my request.

Motion agreed to.

BUILDING SOCIETIES (PRUDENTIAL STANDARDS) BILL

Second reading

Resumed from 27 November; motion of Hon. M. A. LYSTER (Minister for Local Government).

Hon. HADDON STOREY (East Yarra)—This is an important Bill which follows from major occurrences in building societies this year with the unfortunate collapse of the Pyramid group and the consequent disastrous trauma for many people in Victoria.

The Bill is an attempt to rewrite the administrative apparatus for the supervision and control of building societies and it contains some extensive provisions and a degree of regulation requiring a good deal of close analysis.

The government's handling of the Bill has been abysmal. It has changed its mind almost daily about the contents of the Bill and it has been difficult for the Opposition to determine what its attitude should be. The government brought in a Building Societies (Prudential Standards) Bill (No. 1) in the other House, and that had some problems with it. The Attorney-General prepared an enormous number of amendments, then decided that was an unacceptable procedure and brought in Bill No. 2, which is the Bill before the House. This Bill also required much amendment and improvement and amendments were moved in the Legislative Assembly. I understand the government has a series of amendments that it proposes to move in this House, also.

Although it has consulted the Opposition about these amendments, the government keeps on chopping and changing and leaving the Opposition in a state where it has been having to seek consultation at short notice on the details of many of the provisions the government wants to change. I want that comment on record to show that the Opposition has done whatever it could to grapple with the intricacies of the Bill, to deal with the details and to consult as speedily as it could to ensure that the Bill will pass through the House this session. The Opposition realises the importance of the new arrangements being put in place as soon as possible.

The government's disastrous mishandling of the finances of this State has created a crisis of confidence that applies to building societies and other financial institutions in this State. It is important that the Bill pass, that new arrangements are put in place and that confidence is restored to this important part of the financial apparatus of this State.

With the collapse of the Pyramid Building Society and other institutions in the Farrow group, non-bank institutions were put at risk. Indeed, some actually sustained runs on their funds. Fortunately that situation has abated and if the Bill is passed it will help restore confidence.

The Bill is complex and I should like to state some of its major provisions. Firstly, it has provided for a Victorian Building Societies Advisory Committee and, as one would expect, the role of that committee will be to advise the Minister, to give advice on what is happening in the industry and what should be done from time to time. It will also be able to advise on legislation.

The Bill also provides for the creation of a Building Societies Reserve Board whose role will be to monitor and enforce prudential standards. It will administer the fund which will be created under the Bill. It will have power to appoint examiners to investigate societies. The Bill will require building societies to submit monthly reports or returns to that reserve board. The board will clearly have a significant role to play in the administration of building societies in this State.

A number of funds will be set up. There will be provision for an administration levy and a further provision for a reserve board administration levy. Those levies will provide funds which will be used in administration. There will be a building societies general reserve fund created by the Bill which will be able to respond to claims by liquidators and a building societies liquidity support fund which will provide liquidity support, and I shall return to that later.

The Bill sets limitations on shareholdings in building societies and, importantly, it establishes prudential standards which will have to be observed by building societies. They include such things as capital adequacy and prime assets ratio and will deal with

large disclosures. Other provisions will deal with mergers of building societies and friendly societies and the issue of promissory notes.

The issue of promissory notes picks up an initiative of the coalition in a private member's Bill introduced by the coalition which contained provisions for the issue of promissory notes which would be of assistance to depositors in the Pyramid group. I am pleased to see that the government has picked up that suggestion and that it will be of assistance to the people affected by the Pyramid collapse.

Despite having had two Bills and a number of amendments on this issue before Parliament a number of important issues still have to be grappled with. Most of them have been canvassed extensively in another place but I should like to mention, in particular, liquidity reports and the requirement in the Bill to provide them.

It is left very much to the discretion of the Treasurer whether there will be criteria and what those criteria will be, and further it is not required that the liquidity report be on the basis of security. It is not suggested that there has to be total security for whatever support is provided because almost by definition there would not be the need for such support if that security were available; but there ought to be an attempt to ensure that adequate security is provided to the extent possible.

Then there is the imposition of prudential standards. Recommendations on this issue of prudential standards have been before the government for two and a half years now and it is a shame that it has taken the government so long to introduce these provisions. I suppose there is not a great deal of point in speculating but one can only wonder what the situation would have been if the government had acted more promptly. It would have been able to avoid some of the disasters that have occurred this year.

There are also some problems with certain aspects of the prudential standards themselves. As I said, the Bill provides that advances from the society have to be secured by residential mortgages. I have no quarrel with that, but a purpose test is introduced by the Bill. It requires the advances to be for approved residential purposes. Essentially the main criterion should be whether there is security; provided advances are secured by residential mortgages the Opposition wonders why it is necessary to add to them a purpose test, particularly one that is as strict and limiting as this one. Some other States have purpose tests but they are much more flexible than the one in the Bill.

Then there are the shareholding provisions, which place a limit on the extent to which any one person can own shares. The Bill recognises that exemptions will need to be given by the Attorney-General in cases where there are good reasons why the limits cannot be observed, but in fact the limit is so low that it is improbable that any building society in Victoria at the moment could meet it; in other words, exemptions will have to be given in respect of shareholdings in every building society or there will have to be a radical transformation in the shareholdings of the societies.

Even though we have gone through this long process, as recently as yesterday I received a letter from the Victorian Building Societies Association listing a number of concerns it still has about the Bill. It lists seven matters—which it does not regard in any way as an exhaustive list—that it believes need critical attention. I have mentioned some of them already but it is important to place on the record that there are seven matters of concern so that the government may be alerted to them. I am sure the government has been told by the industry about these concerns but the government has not acted as it should have acted.

The government's amendments will in part meet these concerns but it is a matter for some alarm that the association says in its letter that even on the issues acceded to by the Minister the amendments to be proposed in Committee by the Minister do not

accurately reflect the position reached between the parties. The association is saying that it has reached agreement with the Attorney-General on some of these matters, yet the amendments the Minister for Local Government is proposing to move do not accurately reflect those agreements.

The problem is that the government's amendments change every few hours or so. I received another set this afternoon which differed from some I received yesterday which differed again from an earlier version I had seen, so it may be that the government has picked up some more of these concerns, but we will soon find out.

The first major matter to which the association refers is representation on the Building Societies Reserve Board. The association makes the pertinent point that industry needs representatives on the reserve board for a period of two years, so that it can have proper input into what is happening during this settling-down period. I suggest the industry needs two representatives on the reserve board.

Hon. W. A. Landeryou—Is that the only argument you can put in favour of that proposition—that the suggestion is that they want two people for two years? Is that the only argument?

Hon. HADDON STOREY—I thought Mr Landeryou had heard what I said. I pointed out that it was necessary to have the industry input into what the reserve board should be doing during this important period.

The second matter related to shareholdings, and I have already said that some onerous provisions limit the amount of shareholding by any one person. The association makes the point that there needs to be time in which to phase in these requirements, and it suggests three years. There certainly does need to be time, simply because it would be extremely traumatic to have all the shareholdings in all of the societies being changed overnight, as it were. The government is proposing that that occur over a number of years, and the association suggests three years. It also refers to exemptions and makes the valid point that the Minister ought to give reasons for granting or not granting them so that it is possible for people in the industry to understand the factors that influence the Minister in coming to his decisions rather than having a totally unlimited discretion, which would mean that people would not know the likely result of any application.

If some pattern of decision making could be built up and the reasons given for it, it would be much easier for people to understand what arrangements they need to make.

The third matter is also one that I mentioned, that is, the fact that a purpose test is provided for in the Bill. The Victorian Building Societies Association states that it is fundamentally opposed to a purpose test, and particularly the test outlined in the Bill, the residential purposes test, because it is so limited. However, the association says it would find it at least workable if the test were described along the lines of "approved purpose test".

The fourth matter that the association raises relates to the composition of the advisory committee. The Bill provides that the Minister will appoint four members to the advisory committee and he is required to consider a panel of names submitted by the industry. The industry is saying that he should be required to appoint four representatives from the industry and not simply consider a panel of names submitted by the industry.

The association also raises the question of the need for consultation between the reserve board and the committee in relation to certain parts of the Bill. It also raises the need for a review of the decision of the reserve board in connection with certain

provisions. I believe some of these points are also taken up in the amendments the Minister will move.

The association believes there ought to be an ability to review the decision of not only the reserve board but of the existing council which operates under the Act as it stands and which will continue to operate until the new arrangements are put in place. In other words, even though there may be a provision in the Bill for a review of the decisions of the reserve board, decisions may be taken by the council before the reserve board is appointed to which similar review provisions should apply. They are a number of the concerns raised by the association, and it is important that the government give attention to them.

On the question of solvency of a society and its ability to receive liquidity support, I make it clear that the coalition does not say that a reserve board must be satisfied of the solvency of a society if it is to receive liquidity support. That would be putting an impossible onus on it. However, we believe it ought at least be in a position where it does not give liquidity support to a society that is clearly insolvent. In other words, it must consider the degree of solvency involved and take that into account in its determination about providing liquidity support to a building society.

There are some detailed observations about particular clauses, but perhaps it is more appropriate to deal with them when the Bill is considered in Committee. The Opposition is concerned that it has not had more time in which to consult interested parties and consider the provisions of this Bill, but it believes it has to be responsible, and the responsible course is to ensure that the Bill is able to go ahead and the new arrangements are put in place. For that reason we will not oppose the Bill, although I urge the Minister to take into account the points I have made.

I point out also that I shall move a small amendment to clause 16 during the Committee stage. I understand the Minister will accept that amendment. I shall explain its purpose when that clause is considered in Committee.

Subject to the matters that I wish to raise in Committee, I indicate the coalition is not opposed to the Bill.

Hon. R. A. BEST (North Western)—The Bill basically represents an attempt by the government to restore public confidence in building societies. All non-banking financial institutions over the past six to eight months have suffered a horrendous erosion of public confidence, and anything that can be done by way of legislative provision to ensure that public confidence is restored is vital.

This is yet another piece of legislation that is being rushed through Parliament because of the government's inability to handle a situation correctly. This Bill has flowed from the demise of the Pyramid Building Society and the Farrow group and it represents an effort by the government to restore public confidence in the remaining building societies, regardless of their credibility, viability and ability to operate as individual institutions within the requirements of the existing legislation.

I should like to place on record the impact that the demise of a building society would have in an area like Bendigo. The Bendigo Building Society is a large contributor to employment in the Bendigo region, particularly in the north-western region of Victoria. If the government failed to restore the public confidence that is so vital Bendigo would suffer the same sort of demise, the same unemployment rate, the same lack of confidence and the same lack of investment that have occurred in Geelong.

While the rest of Australia is in a recession, I believe Victoria is in a depression, and I do not believe any part of Victoria could sustain the same sort of impact that has occurred in Geelong. It is important to place on record not only the ability of the

directors and the people involved in the Bendigo Building Society to adhere to the legislation but also our congratulations to them on their operation in very difficult and trying circumstances.

The Bendigo Building Society has rigorous conditions of shareholding. No single shareholder may hold more than 5 per cent of shares. It is those standards that the society has set which have seen it continue to grow and prosper in the most difficult and trying circumstances.

The Bendigo Building Society has more than 80 per cent of its loan portfolio in residential housing. It is the jewel in the crown of building societies. In debate in this House last session I outlined the difference between certain building societies in the industry in Victoria. It is important that we recognise that, like all operations and financial institutions, there are the good and the bad. This Bill has categorised all building societies as being questionable operations; and regulations, on which the required amount of time was not given for consultation, will be inflicted on the industry in this attempt by the government to get its house in order and repair some of the damage that it did by not handling the Pyramid disaster effectively or efficiently.

Unfortunately all non-banking financial institutions can suffer from rumours. It is sad that people can undermine a sound financial institution by spreading rumours consciously or even unconsciously. Public confidence and public perception allows non-banking financial institutions to trade and grow.

I am not happy that the consultative process has not occurred as it should have, but I congratulate Mr Storey on his contribution and I look forward to making a further contribution during the Committee stage.

Hon. R. A. MACKENZIE (Geelong)—The purpose of the Bill is:

(*a*) to abolish the Victorian Building Societies Council; and

(*b*) to establish the Victorian Building Societies Advisory Committee; and

(*c*) to establish the Building Societies Reserve Board; and

(*d*) to specify prudential standards and strengthen controls over building societies; and

(*e*) to enable mergers between building societies and credit societies and building societies and friendly societies; and

(*f*) to make miscellaneous amendments to the **Building Societies Act 1986**; and

(*g*) to make provision for the issue of promissory notes to depositors with the Pyramid Building Society, the Geelong Building Society and the Countrywide Building Society.

The only problem with the legislation is that it has been introduced twelve months too late and its provisions will shut the gate after the horse has bolted. Nevertheless, the Bill will ensure that a debacle of this nature should never occur again.

During the past decade Parliament strengthened and widened the regulations governing building societies. In 1983 some societies were granted trustee status. Some people were concerned about that; nevertheless the legislation was passed in the firm belief that many of the larger building societies had been established for a long time and had traded as if they were banks. Because of the respect in which many of the building societies were held and the fact that they had been in business for a long period it was felt they ought to be granted trustee status. All honourable members agreed with that view at the time.

In 1986 Parliament passed the Building Societies Act, the main function of which was to protect the funds of depositors of building societies. Because of these supports that government and Parliament have provided, building societies have been used by a large number of people. They were often seen to be as safe as a bank. Many people deposited their life savings and their lump-sum superannuation funds in building

societies. The government sent circulars to schools suggesting that the administration of those schools ought to invest the school funds and grant moneys into building societies such as the Pyramid Building Society. I have in my file, as I am sure do other honourable members, copies of such letters. Many schools took the government at its word and invested their school funds in the Pyramid Building Society.

These legitimate financial institutions operated successfully for many years. The Building Societies Act safeguarded the depositors of building societies. The government established the office of registrar, and the registrar had the power to ride shotgun over the activities of building societies in order to protect the community. Unfortunately, this was the first mistake. In theory the office should have operated effectively, but it was not provided with sufficient resources to carry out the functions that it was given under the legislation. Nevertheless, the registrar did ride shotgun on building societies. The community ought to be aware of that because, despite the criticism that may be made of Bill Farrow and the other director of the Farrow Corporation that they engaged in risky business practices, the government was aware of those practices. Nothing the directors of the Farrow Corporation did was without the approval of the government. The lending practices of that society were above board and the government was aware of its business practices because of the overview of the registrar, so the ball must come back into the government's side of the court.

I hope such a tragedy never occurs again because the ramifications are horrific and are just starting to bite. Only last week several groups of people who were victims of this financial collapse visited my electorate office, some of them in their 80s. They broke down and said, "We will never see this money. We will be dead before we see our money again". There are hundreds of people like that, not just in Geelong but in other parts of Victoria as well.

This is one of the worst tragedies that the Victorian community has experienced. Everyone has the right, during the last few years of their life, to a degree of security and freedom from worry about their assets. That is not the case for hundreds of people who are affected by this financial collapse. Many people have lost everything and are living on charity. Many of them are ineligible to receive the pension because on paper they have too many assets. The same people have never had financial worries in their lives; they are fiercely proud of their financial independence and have brought up their children in that way, but now they have to worry about how they will live. That is the tragedy that the Victorian community is facing.

I am riled when people talk about the greedy depositors of the Pyramid Building Society who chose high interest rates and did not put their money into financial institutions that offered lower interest rates but more security. Most of the people who deposited their funds with the Pyramid Group did so because they received service that was not available at other financial institutions. Building societies open for longer periods and on Saturday mornings. People were looked after when they visited building societies. The government also provided a safeguard for depositors. A person who retires at age 65 years with a superannuation cash payment would consider putting that money into a bank or a building society. The government has said that the funds deposited in building societies are guaranteed. It gave trustee status to many building societies and it even sent a letter to my children's school to say that the school funds could be deposited with the Pyramid Building Society. Why wouldn't people assume that building societies were financially sound? On top of that they could earn an extra 2 per cent interest on their money. They would look on that as a wise investment and would not consider themselves greedy. An additional 2 per cent makes a huge difference in a superannuation cheque.

I hate seeing the innocent victims of this disaster who are suffering horrendous financial problems being treated in such a way. However, what really gets up my nose is the

petrol tax. Calling that a tax to pay off Pyramid depositors divided the community and put the boots into the people affected. One cannot blame them; the government decided to pay back the funds and made the decision to charge the rest of the community for it. That is a terrible thing for any government to do to a group of innocent people.

The provisions regarding promissory notes are necessary. I should have liked depositors to have been paid back quicker, and many of them expected to receive the rest of their money by Christmas this year. However, that was a vain hope. If their money can be repaid within eighteen months, the promissory notes will be worth something. However, if they have to wait five years the promissory notes will lose value. Despite that, I am pleased with the legislation in that regard because it is long overdue.

Honourable members must learn from what has happened with the Pyramid Building Society; they must learn from the inept way the whole situation has been managed. The government appointed an administrator, but he has not made use of the resources of the Farrow Corporation. He got rid of all the staff and instead of administering the corporation he began liquidating it. The administrator refused to give information and no-one knew what was going on. It has since been discovered that the administrator has not been around for weeks at a time. Who was administering the organisation then? Someone has been in his place while he has been driving his vintage car around Europe at a time when the people of Geelong, Bendigo and elsewhere are bleeding to death. Who appointed the administrator and who is his replacement? Those questions need to be answered.

Depositors in the Pyramid Building Society want to know about the fees being paid to Coopers and Lybrand. No-one can get the exact estimate, but it is more than $1 million. There is talk of $17 million being transferred from depositors accounts to Coopers and Lybrand. Those matters need to be investigated and calls have been made for an inquiry.

The Bill will go some way towards easing the pain, but it will not bring much joy to the people I have described. More than twelve people in Geelong have committed suicide as a result of the collapse of Pyramid, and the government will have that on its conscience for a long time. The government could have allowed the corporation to trade out, which it could have done because 93 per cent of the depositors said they would leave their money in the building society if it were allowed to continue trading. However, the government refused to accept that. If it had not been for the actions of government backbenchers who demanded that something be done, Pyramid depositors would not have the little help they have received to date, and I thank those members of the government who helped to overthrow the Cabinet decision.

I support the Bill in principle. As I said, it is a bit like shutting the stable door after the horse has bolted, but it will help in ensuring that such a debacle never happens again. I hope the government does not fall into the same mistakes it made previously. Resources must be provided to ensure the legislation works. In the past legislation was introduced but resources were not provided, and that is useless. The Bill will safeguard people who wish to deposit their funds in and use building societies, and I support the legislation.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. M. A. LYSTER (Minister for Local Government)—Mr Storey was keen to put on record what he portrayed as the government's chopping and changing in respect of proposed amendments. I, in turn, place on record the fact that the amendments have, by and large, been proposed by the government in response to matters raised in debate in another place or in response to requests from the Victorian Building Societies Association. As late as 2 p.m. today the association was still seeking further amendments but, at that stage, the government declared enough was enough. The government has gone to great lengths to accommodate the concerns of the association and it now looks forward to the passage and implementation of the proposed new arrangements.

Clause agreed to; clause 3 agreed to.

Clause 4

Hon. M. A. LYSTER (Minister for Local Government)—I move:

1. Clause 4, page 5, lines 1 and 2, omit "in the opinion of the Minister".
2. Clause 4, page 5, line 7, after this line insert—

"(2A) The Minister must appoint the members specified under sub-section (2) (*a*) from a panel of names of persons submitted at the invitation of the Minister by a body or organisation which the Minister considers represents the building society industry.

(2B) A submission under sub-section (2A) must—

(*a*) be made in writing so as to reach the Minister on or before the date determined by the Minister as the last date for the submission; and

(*b*) contain at least 6 names.

(2C) The failure to make a submission does not preclude the Minister from making an appointment under sub-section (2).".

These amendments require the Minister when determining the industry representatives on the advisory committee, to choose four people from a list of at least six names from a list submitted by the Victorian Building Societies Association. These amendments were requested by the association.

Hon. HADDON STOREY (East Yarra)—These amendments were also pushed by the Opposition on behalf of the Victorian Building Societies Association. I am pleased to acknowledge that the Minister has recognised the significance of the view put by the association. With regard to chopping and changing, amendment No. 2 is a typical example of an amendment that differs from the amendments put forward by the government a day or two ago because the government responded weakly, and not fully and properly, to the representations that had been made. Finally the government has come to the party in a more satisfactory way.

The government has not allowed enough time for these matters to be dealt with and that is why there are problems occurring with the amendment. I do not wish to comment on every amendment but these amendments, and the others for the most part, were sought by the coalition parties and the association. I recognise that the government has been prepared to move these amendments.

Amendments agreed to; amended clause agreed to.

Clause 5

Hon. M. A. LYSTER (Minister for Local Government)—I move:

3. Clause 5, page 8, line 35, before "Subject" insert "(1)".

4. Clause 5, page 9, lines 2 and 3, omit "with the approval of the Minister,".

Amendment No. 3 is consequential on an amendment that will be moved later in the Committee stage. Amendment No. 4 was requested by the Opposition.

Hon. HADDON STOREY (East Yarra)—I acknowledge the Minister has recognised that these amendments should be made. Taking out the reference to the approval of the Minister means that the reserve board will be given more authority and ability to perform its functions without Ministerial direction. The Opposition supports that view.

Amendments agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

5. Clause 5, page 9, line 6, after this line insert—

"(2) The Reserve Board must consult with the Committee before the Reserve Board makes a decision under section 25B, 25E, 25F, 25H, 25I, 60A, 60B or 60E.".

The amendment was requested by the Victorian Building Societies Association. It will ensure greater consultation between the advisory committee and the reserve board.

Hon. HADDON STOREY (East Yarra)—I note that the amendment refers to a number of sections in the Act under which the reserve board may make decisions. There is a difference between the amendment and an earlier amendment that the government put forward. Sections 25F and 25I have been added. I ask the Minister to give the reason why those sections were not included previously.

Hon. M. A. LYSTER (Minister for Local Government)—The amendment is being made at the request of the Victorian Building Societies Association.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

6. Clause 5, page 14, line 35, after this line insert—

"(5) A person is not excused from answering a question asked by an examiner on the ground that the answer might tend to incriminate the person.

(6) If before answering a question, a person claims that the answer might tend to incriminate him or her, the question and the answer are not admissible in evidence against the person in any criminal proceedings other than proceedings under section 22 or in relation to a charge of perjury in respect of the answer.".

The amendment makes two insertions in section 21. The industry requested the amendment. It mirrors section 29 (2) and (3) and deals with questions and answers not admissible in evidence.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

7. Clause 5, page 23, lines 19 to 22, omit all words and expressions on these lines and insert—

"(8) The Reserve Board must not make a loan to a building society if the Reserve Board has reasonable grounds to believe that the building society is insolvent at the time that the loan is to be made.".

The amendment was requested by the Opposition. It reverses subclause 25G (8) to provide that the reserve board must not make a loan to a building society if it has

reasonable grounds to believe that the building society is insolvent. It will make the system of liquidity support more workable.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

8. Clause 5, page 26, lines 23 to 31, omit all words and expressions on these lines and insert "the Reserve Board.".

9. Clause 5, page 27, line 2, after this line insert—

"(7) Despite sub-section (4), the Treasurer must not give a guarantee or indemnity under sub-section (4) if the Treasurer has reasonable grounds to believe that—

(*a*) the borrowing or financial accommodation is to be used to provide a loan to a building society that is insolvent at the time that the loan is to be made; or

(*b*) the building society cannot provide adequate security for the loan; or

(*c*) both paragraphs (*a*) and (*b*) apply.".

Amendment No. 8 is consequential upon amendment No. 9. Amendment No. 9 alters subclause 25J (4) so that the Treasurer must not give a guarantee or indemnity under subclause (4) if the Treasurer has reasonable grounds to believe that the borrowing will be used to provide a loan to an insolvent building society or the building society cannot provide adequate security for the loan. It takes a similar view to amendment No. 7.

Amendments agreed to; amended clause agreed to.

Clause 6

Hon. HADDON STOREY (East Yarra)—I am disappointed that the government will not be moving amendments to clause 6. There were discussions between the coalition parties and the Attorney-General and it was the understanding of the honourable member for Kew that the Attorney-General had agreed with the point made by the coalition parties about this section. Indeed, the Attorney-General gave instructions to have some amendment prepared for the clause, a copy of which was given to the coalition. However, the Minister has not moved an amendment. The limitations on shareholdings prescribed in clause 6 come into operation when the Bill comes into effect. The clause provides for the giving of exemptions from the limitation on shareholding, but the way in which the clause will operate requires that a person holding the respective share within 21 days of the Act coming into operation, must apply to the Minister for exemption and the Minister, within 21 days of receiving the application, must approve the request for exemption. In other words, it will be sudden death once this clause comes into operation. The Opposition believes it is sensible to bring in this provision over a period of time. It was our suggestion that the clause should not operate until the second anniversary of the commencement of the Act. That would give a two-year period for those people who hold shareholdings in a society to make appropriate arrangements that would not prejudice the society to bring the person within the limitations imposed by the Bill. Further, the Opposition suggested that the application should not be made until towards the end of that time, and then decided.

We understood the Attorney-General had agreed with that, but the Minister for Local Government has indicated that the government does not intend to move the amendment. Perhaps it would be more convenient if I put the second half of my argument after the Minister has had a chance of responding to my first point.

Hon. M. A. LYSTER (Minister for Local Government)—I shall respond to the general points Mr Storey has made and has foreshadowed he will make. It is the government's view that the amendments he discussed would have the general effect

of weakening the prudential standards applying to building societies and for that reason the government is not prepared to move them.

Hon. HADDON STOREY (East Yarra)—I regard that as a weak response.

Hon. K. M. Smith—Pathetically weak!

Hon. HADDON STOREY—As Mr Smith says, it is a pathetically weak response to my point. The government has given no explanation of how it expects to avoid the panic and haste that will result from enacting the legislation without phasing in the provisions. It is irresponsible of the Minister for Local Government to push that point to one side.

My second point about clause 6 is that the clause provides for the Minister to approve or not approve an application for exemption, but does not allow for any explanation to be given as to why the Minister approves or does not approve. It is open to the Minister to do what he or she likes without having to give an explanation. The honourable member for Kew, Mrs Wade, discussed with the Attorney-General the desirability of including a stipulation that the Minister should give reasons for approving or not approving an application for an exemption. In that sense Mrs Wade asked for it both ways. To show he was considering it, the Attorney-General proposed some amendments which would have said, in effect, that the Minister must within 35 days of receiving an application give reasons in writing to the applicant for not approving the application.

We believe that did not go far enough and that the Minister should have to give reasons for approving or not approving the application. The Minister for Local Government seems not prepared to move the amendment we believed the Attorney-General thought was worth while when the matter was discussed in the other place. I ask the Minister for Local Government to give a better explanation rather than saying the government believes such an amendment would weaken the prudential requirements of the legislation. The second point about giving reasons would have absolutely no effect on the strength, weakness or otherwise of the legislation.

I regard the Minister's explanation as again showing that the government has adopted the attitude the Minister gave evidence of earlier when she said that after members of the Victorian Building Societies Association came to see the government again today, the government said, "Enough is enough". What a deplorable way to handle a very important piece of legislation. If a point is a good point, the government should be prepared to accept it. It is not the fault of the association or the fault of the Opposition that the Bill is being dealt with on what is probably the second last day of the session. It is the government's fault because of the way it has chopped and changed the legislation.

It is irresponsible for the government to say it will not consider the points I have raised. I implore the Minister to give further consideration to them.

Clause agreed to.

Clause 7

Hon. HADDON STOREY (East Yarra)—The clause is important because it deals with the purposes requirements for building societies. It provides that the Governor in Council may specify what purposes are approved residential purposes and what kinds of mortgages are approved residential mortgages; it also provides that building societies must ensure that at least 50 per cent or such other percentage as is prescribed of the total assets of the building societies must be invested in approved residential purposes.

The Opposition has a number of concerns about that, one of which is that the matter is utterly in the hands of the Minister because the percentage can be prescribed and the Governor in Council, who acts on recommendations of the Minister, may specify what purposes are approved residential purposes. Of particular concern is the point raised by the Victorian Building Societies Association in a letter I referred to during the second-reading debate, in which disapproval was expressed of the concept of limiting the investments that may be put into approved residential purposes, taking the view that there is no reason why they should be limited in that way.

The Attorney-General gave Mrs Wade to understand that he was prepared to omit the word "residential", which would go some way towards solving the problem. I again ask the Minister to explain why the government is not proceeding with that amendment.

Clause agreed to.

Sitting suspended 6.28 p.m. until 8.5 p.m.

Clause 8

Hon. M. A. LYSTER (Minister for Local Government)—I move:

10. Clause 8, page 45, line 14, after "market value" insert "determined as at the last day of the month".

The Victorian Building Societies Association pointed out that under the definition of "prime assets" in section 60 (A) a building society would have continually to revalue its securities and investments. The amendment allows market value in the definition of monetary value to be determined on a monthly basis.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

11. Clause 8, page 46, lines 7 and 8, omit "any liquidity support levy paid under section 25H and".

Again the amendment came from the Victorian Building Societies Association. It deletes amounts paid as liquidity support levy from paragraph (*g*) of the definition of "prime assets". The amendment is necessary because section 25 (H) (7) requires the liquidity support levy to be treated as an expense in the accounts of the building society. Accordingly, it should not be included in prime assets.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

12. Clause 8, page 49, lines 3 and 4, omit "related entities to" and insert "subsidiaries of".

The amendment corrects a drafting error in paragraph (*b*) of the definition of assets in section 60 (B).

Amendment agreed to; amended clause agreed to; clauses 9 to 12 agreed to.

Clause 13

Hon. M. A. LYSTER (Minister for Local Government)—I move:

13. Clause 13, page 69, line 12, after this line insert—

"(4) In section 119 (1) of the **Building Societies Act 1986**—

(*a*) After "not to" **insert** "do any one or more of the following as specified in the notice";

(*b*) Omit "and" at the end of paragraphs (*a*), (*b*) and (*c*).".

The amendment will give the registrar greater flexibility in relation to a direction suspending the operations of a building society.

Amendment agreed to; amended clause agreed to; clauses 14 and 15 agreed to.

Clause 16

Hon. HADDON STOREY (East Yarra)—I move:

1. Clause 16, line 2, before "In" insert "(1)".
2. Clause 16, line 21, after this line insert—

"(2) The **Building Societies Act 1986** as in force immediately before the commencement of sub-section (1) (*a*) continues to apply to, and in respect of, the Pyramid Building Society, the Geelong Building Society and the Countrywide Building Society as if sub-section (1) (*a*) had not been enacted.

(3) Notwithstanding section 2, sub-section (2) and this sub-section are deemed to come into operation on the day on which sub-section (1) (*a*) comes into operation.".

The first paragraph of the clause is fairly mysterious. It states that the registrar may revoke the appointment of an administrator if a liquidator is to be appointed for the building society. When one looks back to the principal Act one finds there is power to revoke the appointment of administrators and there is power to appoint liquidators. As I understand the principal Act, if an administrator's appointment is terminated or his employment revoked the board of the society has to be re-formed but then a liquidator may be appointed. The purpose of paragraph (*a*) is not absolutely clear and I ask the Minister to advert to it.

Hon. M. A. Lyster—Are you referring to the principal Act?

Hon. HADDON STOREY—I am referring to clause 16 of the Bill, which inserts various provisions in various sections of the principal Act. Clause 16 (*a*) inserts a provision after section 114 (1) of the principal Act. I would appreciate some explanation of its purpose. The second amendment inserts additional provisions in the clause.

The reason I move the amendment is simply that proceedings are under way in the Supreme Court in relation to the Pyramid group, and the coalition believes nothing in the Bill should affect whatever the right, liabilities and obligations may be as the law currently exists. The purpose of the second amendment is to ensure that the existing law continues to apply to these particular building societies. In moving the amendments I ask the Minister if she could give an explanation of the purpose of the insertion to section 114 (1) of the principal Act of proposed subsection (1A).

Hon. M. A. LYSTER (Minister for Local Government)—I believe the appropriate explanation in respect of clause 16 (*a*) is that it permits the registrar to revoke the directions to the administrator if a liquidator is to be appointed. The government believes this will permit easier transition from administration to liquidation.

Amendments agreed to; amended clause agreed to.

Clause 17

Hon. M. A. LYSTER (Minister for Local Government)—I move:

14. Clause 17, page 72, line 3, after "by" insert "or from".
15. Clause 17, page 72, line 10, after "by" insert "or from".

The amendments correct a drafting error.

Amendments agreed to; amended clause agreed to.

Clause 18

Hon. M. A. LYSTER (Minister for Local Government)—I move:

16. Clause 18, page 72, line 23, before "In" insert "(1)".

The amendment will be shown to be consequential upon amendment No. 17. By explanation of foreshadowed amendment No. 17, the Victorian Building Societies Association and the Opposition requested that decisions of the Victorian Building Societies Council and the proposed Building Societies Reserve Board be subject to appeal to the Administrative Appeals Tribunal. Proposed new sections 21AA and 131A provide such a mechanism and mirror section 131 of the Act, which provides for appeals from decisions of the registrar.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

17. Clause 18, page 73, line 37, after this line insert—

"(2) After section 21A of the **Building Societies Act 1986 insert—**

"21AA. **Review of decisions of Council**

(1) Any building society or person aggrieved by a decision made by the Council under section 21A may request the Council to review the decision.

(2) When reviewing a decision the Council must give the building society or person aggrieved by the decision an opportunity to appear before the Council and make a submission in relation to the matter.

(3) The Council may confirm, vary or review the decision.

(4) If the building society or person is still aggrieved by the decision, the building society or person may apply to the Administrative Appeals Tribunal for a review of the decision.".

Amendment agreed to; amended clause agreed to.

Clause 19

Hon. M. A. LYSTER (Minister for Local Government)—I move:

18. Clause 19, line 17, after this line insert—

"(2) After section 131 of the **Building Societies Act 1986 insert—**

"131A. **Review of decisions of Reserve Board**

(1) Any building society or person aggrieved by a decision made by the Reserve Board under section 25A, 25B, 25E, 25H, 25I, 36 (2), 48A, 53, 60A, 60B, 60C, 60D, 60E, 108I or 108N may request the Reserve Board to review the decision.

(2) When reviewing a decision the Reserve Board must give the building society or person aggrieved by the decision an opportunity to appear before the Reserve Board and make a submission in relation to the matter.

(3) The Reserve Board may confirm, vary or review the decision.

(4) If the building society or person is still aggrieved by the decision, the building society or person may apply to the Administrative Appeals Tribunal for a review of the decision.".

Amendment agreed to; amended clause agreed to; clause 20 agreed to.

Reported to House with amendments.

Passed remaining stages.

CRIMES (SEXUAL OFFENCES) BILL

Committed.

Committee

Clauses 1 and 2 agreed to.

Clause 3

Hon. M. A. LYSTER (Minister for Local Government)—I move:

1. Clause 3, page 5, after line 29 insert—

"39A. **Proof of sexual offences**

For the avoidance of doubt it is declared that to prove an offence under Subdivision (8A), (8B), (8C), (8D) or (8E) it is not necessary to prove—

(*a*) the date on which the offence is alleged to have been committed; or

(*b*) the exact circumstances of the alleged offence—provided that the particular act, matter or thing alleged to constitute the offence is proved.".

The government is concerned that the lack of clarity and confusion arising from a High Court case, the *R v. S* case, requires legislative clarification declaring that it is not necessary to specify the date on which the offence occurred or the exact circumstances of the offence. So long as the event can be specified with a sufficient degree of clarity to enable the defendant, the judge and all the jury to know what incident is being referred to, that will be sufficient, and this amendment is designed to achieve that objective.

Hon. HADDON STOREY (East Yarra)—The coalition raised this issue in the second-reading debate on the Bill. The coalition was concerned that because of the decision in the High Court case and other cases which have come to the attention of the authorities in this State, it was necessary to take some pains to provide a method of overcoming that problem. The coalition takes the view that the appropriate way of overcoming it is to deal with it in a similar way to the way in which the State of Queensland has dealt with it: to introduce a new offence of the sexual relationship with a child under the age of sixteen years.

In fact, I have circulated to the Committee a copy of an amendment that I intend to propose which will create such a new offence. There are a number of details about that offence that I will want to address when we come to dealing with that amendment, but I want to point out at this stage that the coalition believes that is a better approach than what the Minister has now adopted.

We appreciate that the Minister is making an attempt to grapple with the problem which we have directed to the government's attention, but it is pretty much a shotgun approach to the problem because it is now introducing a change to the proof that is needed for the commission of a whole range of offences, without having had any extensive discussion or consultation with the legal profession.

The coalition was pleased to have been given a copy of the suggestion by the government earlier today. The shadow Attorney-General in another place, Mrs Wade, talked to a Crown Prosecutor about the government's suggestion and reported to me that the Crown Prosecutor's view was that it would be like a bombshell in this area of the law, that it would be going way too far to overcome the problem highlighted by the High Court case, and in any event it certainly needed a fair bit of consideration.

In the circumstances the coalition believes we should proceed with the amendment that I foreshadowed and not accept the last-minute suggestion by the government to attempt to overome this problem. For that reason the coalition opposes the amendment.

Hon. M. A. LYSTER (Minister for Local Government)—I think we are agreed that we share a concern about this matter. Mr Storey made reference to the fact that the government has introduced this amendment without discussion or consultation. We concede that. However, we have put forward this amendment in response to what we consider to be the inappropriate response of the Opposition to resolve this problem.

The situation that the Committee faces is that this is a matter that has been of concern in the community and the legal profession for some time. It is perhaps inappropriate that in such a short period we should be trying to resolve such a complicated matter. However, since the matter was put on the agenda by the coalition the government has

sought, by means of this amendment, to produce what is considers to be the best possible way of attempting to clarify the situation for everyone concerned.

As I said initially, we share a concern over this matter. The government believes this amendment is the better way to attempt to resolve the situation at this stage.

Hon. W. R. BAXTER (North Eastern)—I do not share the Minister's view that her amendment is the better way. It smacks very much of a last-minute attempt by the government to address a matter that was properly raised by Mr Storey during the second-reading debate. I believe his amendment goes to the specific issue that he was raising and deals with it in a proven way because it draws from the experience in Queensland, whereas the Minister's amendment is, in Mr Storey's terms, a bit like a shotgun approach—and it gives me that impression as well. I believe the safer course is not to proceed with the government's amendment but to endorse Mr Storey's amendment, which seeks to deal with the particular problem.

Committee divided on amendment:

Ayes, 11

Mrs Coxsedge	Mrs Lyster	Mr White
Mr Crawford	Mr Mier	*Tellers*
Mr Davidson	Mr Pullen	Ms Kokocinski
Mr Kennedy	Mr Walker	Mr Sgro

Noes, 15

Mr Ashman	Mr Evans	Mr Storey
Mr Baxter	Mr Hallam	
Mr Chamberlain	Mr Knowles	
Mr Connard	Mr Lawson	*Tellers*
Mr Cox	Mr Long	Mr Best
Mr de Fegely	Mr Smith	Mr Craige

Pairs

Mr Henshaw	Mr Hall
Mrs Hogg	Mrs Tehan
Mr Ives	Mr Miles
Mr Landeryou	Mr Birrell
Mrs McLean	Mr Macey
Mr Theophanous	Mrs Varty
Mr Van Buren	Mr Skeggs

Amendment negatived.

Hon. HADDON STOREY (East Yarra)—I move:

1. Clause 3, page 6, line 24, omit "17" and insert "18".

This amendment is as a result of a matter raised in the second-reading debate. The government has removed the provision which used to make it an offence for a person to have sexual penetration with a person between the ages of sixteen and eighteen, where the first person was more than five years older than the person between the age of sixteen and eighteen. The government has said that this type of protection should apply only in the case of a child who is in an influenced position, or in a position to be influenced by somebody in authority or——

Hon. M. A. Lyster—In a power relationship.

Hon. HADDON STOREY—Yes, or in a power relationship, as the Minister says. It is the Opposition's view that the government's approach was satisfactory, except it talked about persons under the age of seventeen. The Opposition thought it should be persons under the age of eighteen to which the provision would apply.

After all, a person between the ages of seventeen and eighteen is still young; some are quite immature and liable to be unduly influenced by someone in a position of power or control over him or her. While the Opposition accepts the government's approach on this provision, it should extend to persons under the age of eighteen, rather than persons under the age of seventeen.

The age factor in the provision applies to three different offences—the first is incest, the second is sexual penetration and the third is soliciting a person to have sexual penetration. This provision refers to the offence of incest and the principle is the same. In moving my amendment, I inform the Committee that the same argument will apply to two later amendments that I intend to move.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

1. Clause 3, page 8, line 19, after "not" insert "wilfully".
2. Clause 3, page 8, line 19, after "or" insert "wilfully".

Amendments agreed to.

Hon. HADDON STOREY (East Yarra)—I move:

2. Clause 3, page 8, after line 34 insert—

"47A. **Sexual relationship with child under the age of 16.**

(1) A person who maintains a sexual relationship with a child under the age of 16 to whom he or she is not married and who is under his or her care, supervision or authority is guilty of an indictable offence.

(2) To prove an offence under sub-section (1) it is necessary to prove—

(*a*) that the accused during a particular period (while the child was under the age of 16 and under his or her care, supervision or authority) did an act in relation to the child which would constitute an offence under a particular provision of this Subdivision or Subdivision (8A) or (8B); and

(*b*) that such an act also took place between the accused and the child on at least two other occasions during that period.

(3) It is not necessary to prove the dates or the exact circumstances of the alleged occasions.

(4) A person who is guilty of an offence under sub-section (1) is liable to a penalty not exceeding the maximum penalty fixed or prescribed by law for the offence which the relevant act would constitute.

(5) A person is liable to be prosecuted and punished for an offence under sub-section (1) committed during a particular period and any other offence under this Subdivision or Subdivision (8A) or (8B) which an act done by the accused during that period constitutes but the court must direct that any sentences of imprisonment imposed by it in respect of those offences be served concurrently.

(6) Sub-section (5) applies despite anything to the contrary in the **Penalties and Sentences Act 1985**.

(7) A prosecution for an offence under sub-section (1) must not be commenced without the consent of the Director of Public Prosecutions.".

This amendment creates a new offence of sexual relationship with a child under the age of sixteen. It was intended to address the problem referred to when the Minister's first amendment was discussed earlier in the Committee stage.

The Opposition has had the opportunity of circulating this amendment to, and receiving some responses from, a number of people. The amendment was originally circulated in a form which did not actually designate the necessity for specific offences of the same kind to have taken place during the period covered by a charge against a person.

Perhaps I should retrace my steps and explain the way in which the offence is intended to be created. It relates to a person who maintains a sexual relationship with a child under the age of sixteen, where they are not married, and where that person has the child under his or her care, supervision or authority. Again, it accepts the notion of power or control that the government has already adopted.

It appears that it is possible for a child in those circumstances not to be able to give specific information as to the actual details of an offence, including particulars, the date of the offence and the circumstances of the offence, yet it can be quite clear that the child has been subject to abuse—in the sense we are talking about—by the person who has the care or supervision of, or authority over, that child.

The original suggestion put forward by the Opposition was that where the accused engaged in an act which would constitute any offence under the relevant provisions of the Act and engaged in at least three such acts during a period of time, that person would be guilty of an offence. The point was made that that would create a number of problems. It would create a problem of lack of specificity as to the exact nature of the offence being committed and in the event that a jury found the accussed guilty of the offence would create a problem as to what sort of penalty or punishment should be applied because it may be that the offences range from indecent assault, at the one extreme, to rape with aggravating circumstances, at the other extreme. Of course there are different penalties provided in the Act for those offences.

The Opposition accepted that those were valid criticisms in the way the amendment was drafted and accordingly it has revised the proposed amendment to the form it is now in under which the accused will commit an offence if the accused has that authority over the child; that is, the child is under the care, supervision or authority of the accused and that during that period while the child was under the age of sixteen the accused did an act which would constitute an offence against a particular provision of the relevant part of the Act, and that such an act took place between the accused and the child on at least two other occasions.

The accused would have to commit an act that would constitute rape and would have to have done the same thing on two other occasions during the period. The provision indicates that it is not necessary to prove the dates or the exact circumstances of the alleged occasions. If the jury is satisfied that the accused has done the act then the accused may be found guilty. If the accused is found guilty the same problem as to fixing a penalty will not occur as it did in the earlier draft because the penalty will be for that which is appropriate for rape, because it is a specified offence, or that which is appropriate for indecent assault. The provision then makes it clear that even though those events may give rise to more than one offence any sentences of imprisonment imposed must be served concurrently. The purpose is to make clear that people will not be placed in double jeopardy as a result of this provision. The Opposition concedes that that was a possibility with earlier drafts of the amendment.

The final protection is that a prosecution must not be commenced without the consent of the Director of Public Prosecutions. The Opposition believes that in this way the amendment is providing a clear manner in which a person who abuses his position in relation to a child under the age of sixteen years can be charged with an offence and found guilty by a jury, even though it is not possible to define the exact time when the event occurred or the exact circumstances of the alleged occasion. The provision

overcomes the problems highlighted earlier. It is an appropriate way of dealing with the problem and I ask the Committee to support the amendment.

Hon. M. A. LYSTER (Minister for Local Government)—It was agreed earlier between Mr Storey and me that this issue has been a matter of concern to the legal fraternity and the community at large for a considerable period. The government will oppose the amendment because it proposes new offences potentially so different in character to all other serious offences that it should not be adopted without serious consideration, and the manner in which it has been proposed does not allow the government to give proper consideration to it.

The government sought advice on this proposal well before it was raised by the shadow Attorney-General. The Attorney-General asked the Director of Public Prosecutions to advise him whether there were reforms that might improve the situation consistent with the fundamental principles of fairness for people accused of serious criminal offences. The Attorney-General requested the director to take particular notice of a Queensland offence which is the model for the coalition's amendment. The Attorney-General also sought the views of the Bar Council and other agencies on the type of offence the coalition proposes. The unanimous advice the government has received is that no reform on this issue should be made in haste. Serious concerns have been expressed about the effectiveness and fairness of the Queensland-type offence, suggesting that these issues should be examined closely before an alternative solution is adopted. The government has conveyed these views to the Opposition and I propose again that the issue be considered by the Law Reform Commission in conjunction with its current reference on the law of rape, but that the examination should not delay the passage of the Bill in its current form.

I ask again that if the amendment is carried by the Committee the coalition consider the suggestion in the interests of seeking the best possible resolution to a matter which all parties agree has been of contention for some time.

Hon. HADDON STOREY (East Yarra)—It is incongruous that the Minister makes comments about the necessity of spending considerable time to work out the proper amendment when earlier in the Committee debate the Minister put forward an amendment designed to deal with this problem which came into being only this afternoon and about which there had been no consultation. The Minister took that amendment so seriously that she called for a division on it. It is totally inconsistent with what the Minister now says. It sounds as if the Minister, now that the Opposition has drawn public attention to the issue, is claiming that the Attorney-General has been doing all these things, none of which were mentioned during the second-reading speech or adverted to earlier.

The Opposition has received advice from the Bar Council and the Victorian Council of Civil Liberties and has seen comments from the Director of Public Prosecutions on the first draft of the Opposition amendment. It has taken notice of the views expressed in those advices by modifying the amendment to meet the views expressed. If it is a serious issue, as the Opposition believes it is. I wonder why the government did not deal with it when the Bill was introduced, but waited for the Opposition to raise it.

It is important that the provision is inserted into the Bill and if the government wants to consult and ultimately is able to come back to Parliament with something better, the Opposition will consider it. In the meantime young people under the age of sixteen years need to be protected and Parliament would be failing in its duty, the problem having been highlighted, if it did not take steps to rectify the situation.

Amendment agreed to.

Hon. HADDON STOREY (East Yarra)—I move:

3. Clause 3, page 9, line 3, after "16" insert "or 17".
4. Clause 3, page 9, line 11, omit "17" and insert "18".

The amendments follow the principle that I enunciated in moving my amendment No. 1.

Amendments agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

3. Clause 3, page 9, line 14, after "not" insert "wilfully".
4. Clause 3, page 9, line 14, after "or" insert "wilfully".

Amendments agreed to.

Hon. HADDON STOREY (East Yarra)—I move:

5. Clause 3, page 14, line 19, omit "17" and insert "18".

The amendment is based on the principles I expressed before.

Amendment agreed to; amended clause agreed to.

Clause 4

Hon. HADDON STOREY (East Yarra)—I move:

6. Clause 4, line 36, after "47," insert "47A,".

The amendment is consequential upon amendment No. 2.

Amendment agreed to; amended clause agreed to; clauses 5 to 10 agreed to.

Clause 11

Hon. M. A. LYSTER (Minister for Local Government)—I move:

5. Clause 11, page 23, lines 7 and 8, omit "in accordance with sub-section (4)" and insert "by means of closed-circuit television or other facilities that enable communication between that place and the courtroom".
6. Clause 11, page 23, lines 21 to 28, omit all words and expressions on these lines.
7. Clause 11, page 23, line 29, omit "(5)" and insert "(4)".
8. Clause 11, page 23, line 35, omit "(6)" and insert "(5)".
9. Clause 11, page 24, line 3, omit "(7)" and insert "(6)".

The amendments relate to proposed section 37C of the Evidence Act and they allow a witness under the age of seventeen years or a witness with impaired mental functioning to give evidence by alternative arrangements, including closed-circuit television or other facilities. The amendments delete proposed section 37C (4) which could be read as limiting the court's power regarding arrangements for hearing evidence.

Amendments agreed to; amended clause agreed to; clauses 12 and 13 agreed to.

Clause 14

Hon. HADDON STOREY (East Yarra)—I move:

7. Clause 14, page 25, line 4, after "16" insert "or 17".

The amendment is similar to earlier amendments I have moved and changes reference to ages.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

10. Clause 14, page 25, line 12, omit "51" and insert "51 (2)".

11. Clause 14, page 25, line 16, omit "52" and insert "52 (2)".

Amendments agreed to; amended clause agreed to.

Clause 15

Hon. M. A. LYSTER (Minister for Local Government)—I move:

12. Clause 15, line 15, after "clause" insert "and containing an acknowledgement by the witness that the contents of the recording are true".

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

13. Clause 15, after line 23 insert—

"(7) a person who acknowledges the contents of a recording which the informant intends to tender at the committal proceeding and which the person knows at the time to be false may be dealt with as if the contents of the recording had been evidence given in court.".

14. Clause 15, after line 32 insert—

"(*e*) Subject to sub-clause (2), any other recording a copy of which has been served in the hand-up brief.".

Amendments agreed to; amended clause agreed to.

Clause 16

Hon. HADDON STOREY (East Yarra)—I move:

8. Clause 16, line 31, after "47," insert "47A,".

It is another consequential amendment.

Amendment agreed to; amended clause agreed to; clauses 17 to 22 agreed to.

Schedule

Hon. M. A. LYSTER (Minister for Local Government)—I move:

15. Schedule, clause 1, after paragraph (*a*) insert—

"( ) section 6 (*c*);".

16. Schedule, clause 2 (1), after "3" insert ", 6 (*a*), 6 (*b*), 6 (*d*) or 6 (*e*)".

Amendments agreed to; amended schedule agreed to.

Reported to House with amendments.

Passed remaining stages.

FREEDOM OF INFORMATION (AMENDMENT) BILL

Committed.

Committee

Clause 1

Progress reported.

FORESTS (TIMBER HARVESTING) BILL

Committed.

Committee

Clauses 1 to 3 agreed to.

Clause 4

Hon. R. A. MACKENZIE (Geelong)—I move:

1. Clause 4, lines 12 and 13 omit "2% above or below" and insert "5% above and 30% below".

It has been my experience that it is considerably difficult to ascertain the amount of timber contained in any given forest. In fact, when timber is removed from areas where forest levels are allocated, sometimes up to 30 per cent less timber is found to be in those areas and sometimes there is a great green wall. There needs to be a bigger variation than the 2 per cent indicated in the Bill. By omitting 2 per cent and inserting 5 per cent above and 30 per cent below the amendment would provide flexibility, which is very important.

I am sure Mr Evans understands what I am talking about. There needs to be flexibility, otherwise there will be enormous dispute, which would lead to a great deal of friction in trying to bring in this sustainable yield plan. I ask the Committee to support the amendment.

Hon. B. T. PULLEN (Minister for Education)—I understand Mr Mackenzie's concerns but the amendment would negate the purpose of the Bill. One of the main purposes is to provide a commitment to supply so the government cannot agree.

Amendment negatived.

Hon. R. A. MACKENZIE (Geelong)—I move:

2. Clause 4, after line 14 insert—

"(3) If the Director-General considers that, to protect the conservation, environmental and aesthetic values of State forests in a forest management area, the total hardwood sawlog supply levels for a timber supply period should be lower than the levels required by sub-section (1), the Director-General may determine total levels that, in the Director-General's opinion, are appropriate to protect those values, and the Director-General must be taken to have complied with sub-section (1) if the total hardwood sawlog supply levels for that area for that period equal or are within the permitted margin of the levels so determined."

The amendment would provide an additional subclause. It is a complicated way of saying the Bill should allow flexibility and that it should be up to the director-general because during the course of the second-reading debate it was mentioned that an enormous number of variables could occur.

This is one of the difficulties, and why the legislation has taken up to five years to reach fruition. It is very difficult to frame. The clause allows the director-general and the legislation itself to take into account matters other than timber values. When we consider a forest we have to consider a range of other values. We have to consider environmental, aesthetic and conservation values and some of the non-wood products such as honey and other products that come out of the forest. There is a whole range of them. The forest does not contain only timber products. If the survey of forests finds some of those features and if it is then found that they will have to vary the amount laid down by the legislation, the director-general will have the ability to do that.

I think this is a very important clause. It follows closely the government's strategy and policies. I cannot understand why the Bill has been presented in such a way by the

government. It almost seems as though it were written by the timber industry because it does not take into account the actual values that are contained in forests. I strongly commend this amendment to the Committee.

Hon. B. T. PULLEN (Minister for Education)—The government does not agree with this amendment. It is too open ended and would negate the basic purpose of the Bill, which is to provide a firm commitment of supply. There are already provisions which provide let-out and variation. I invite Mr Mackenzie to refer to proposed sections 52A (1), 52B (1) and 52D which provide for the views and variations as required. There is adequate capacity within the legislation as it stands to handle matters that have been raised by Mr Mackenzie. The government cannot accept that amendment.

Amendment negatived.

Hon. R. A. MACKENZIE (Geelong)—I move:

3. Clause 4, line 32, after "adverse" insert "environmental".

This is a simple amendment. It includes the word "environmental". I am saying there needs to be consideration of other aspects of forests. If accepted, the clause would read:

> the need to minimise as much as possible any adverse environmental social or economic impact of significant changes in levels.

That is a sensible inclusion. I do not see how the Minister can argue with it because it means the legislation is concerned with environmental issues as well. Any timber harvesting or any matter to do with the timber industry must be linked with environmental issues.

Hon. B. T. PULLEN (Minister for Education)—The issue raised is adequately covered under proposed section 52B (2) (*f*) which provides for the Code of Forest Practice for Timber Production to be considered in determining the level. That document covers observational and environmental issues and it is a more appropriate way of linking those concerns than simply adding one word, so the government will not accept the amendment.

Amendment negatived.

Hon. R. A. MACKENZIE (Geelong)—I move:

4. Clause 4, page 4, after line 14, insert—

"(*g*) the need to protect the conservation, environmental and aesthetic values of State forests.".

With the indulgence of the Committee, I shall put this amendment and test the Committee. If the amendment is lost that will mean amendments Nos 5 and 6 will be lost because the Committee has already voted against my amendment No. 2. I shall test the Committee and say that clause 4 inserts additional paragraph (*g*). The amendment is in keeping with the government's timber industry inquiry recommendations. The whole thing is just part of what I thought the government was all about. It will emphasise to the public at large that the government is serious about forests.

Amendment negatived.

Hon. R. A. MACKENZIE (Geelong)—Most of the amendments circulated in my name are consequential on other amendments that have already been negated by the Committee. I do propose to speak on clause 6 but I shall not proceed with any further amendments.

Clause agreed to; clause 5 agreed to.

Clause 6

Hon. R. A. MACKENZIE (Geelong)—I invite the Committee to vote against the clause. It is unnecessary and I am surprised that the government has included a provision, which in many cases will prevent citizens of Victoria exercising their democratic rights. I am concerned when any legislation interferes with the exercising of a person's right to protest.

It appears strange that the government is embarking on this course of action when there are other alternatives. The Labor Party stood for citizens' rights. I have been involved in many protests myself over many years. I find it difficult to understand why this clause has been included in the Bill. There are ways of overcoming the problem without including a provision in legislative form.

I was involved in a serious conflict during the time I was Minister for Conservation, Forests and Lands. An anti-logging group had come from interstate protesting on the Errinundra Plateau. They were not supported by any conservationists in Victoria—far from it! They took up a stand on the Errinundra Plateau. We had a lot of discussions with them to try to resolve the issue and to come to some compromise. It came to our knowledge that some of them were armed and irrational. In that case we used regulatory powers so that the police could protect the workers.

It was also necessary to protect the protesters' children and babies who were placed in a dangerous situation. We were able to overcome the problem by regulation. As soon as the conflict had ended—as all conflicts do—we were able to remove the regulation from the books. I do not like legislation such as that included in clause 6 on the statute book. It could be used by an over zealous enforcement agency to stop people using their legal rights.

Hon. B. T. PULLEN (Minister for Education)—The right to protest is clearly a fundamental right in a democratic society. It is accepted, as has been said, by all honourable members that that right must be protected. However, we have a situation where lawful timber harvesting operations are being hindered or stopped by the physical presence of people who could be in considerable danger. The record of occupational health and safety is significant in this area. If one has ever observed the felling of a tree one will realise that that is a situation where there is a lot of danger. It is necessary to take a lot of care——

Hon. R. M. Hallam—And skill!

Hon. B. T. PULLEN—And skill to do that. The clause protects all parties. The situation could be analogous to a situation where dangerous machinery is being operated in a factory and another person need only distract the worker—there need not be direct intervention—for someone to suffer some consequence. While respecting the rights of people to make lawful protest, it is important—and obviously views are held most strongly and seriously—that there is also an obligation to reasonably protect people in their normal working environment.

Rather than taking an alternative approach and creating a situation of trespass, which would affect the rights of people to be present in State forests—I believe that would be the wrong path to take because people should be able to be in such a situation and not be hindered—we believe for the protection of the people protesting and for those carrying out a lawful operation it is important that there is a provision to enforce the law in this area. The government wants the clause to remain in the Bill.

Hon. R. A. MACKENZIE (Geelong)—I do not agree with what the Minister has said because that is not the way it has happened in the past. Conflicts do not happen overnight. There are few occasions when conflict suddenly arises. It always takes some

time for a conflict to arise. The government is now opening up logging and the legislation makes it clear that people will know exactly that logging is to occur. There is time for them to go through the formal procedures of protesting if they wish to, but there is also discussion and a build-up to the protest. The government would know if the situation required regulation.

The clause is a backward step. It is nibbling away the civil liberties of the citizens of Victoria. Legislation will be on the statute book that takes away a piece of Victoria's civil liberties. It is sad that tonight we are seeing another section of our civil liberties being eroded.

Clause agreed to.

Reported to House without amendment.

Passed remaining stages.

FREEDOM OF INFORMATION (AMENDMENT) BILL

Committee

Resumed from earlier this day; further discussion of clause 1.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

1. Clause 1, lines 4 and 5, omit "is, or".

The purpose of this and similar consequential amendments is to clarify that the Bill deals only with non-existent documents, which was the problem raised by a recent decision in the Administrative Appeals Tribunal.

Hon. HADDON STOREY (East Yarra)—I thought the amendment sought to amend, not clarify, the Bill, so that the measure would not apply to Cabinet documents.

Hon. M. A. Lyster—That's another part. It is not amendment No. 1.

Hon. HADDON STOREY—I will not debate the matter with the Minister but will await her explanation on the next amendment.

Hon. M. A. LYSTER (Minister for Local Government)—The effect of amendment No. 1 is for clause 1 to read:

> The purpose of this Act is to provide that agencies may give a response which neither confirms nor denies the existence of a document in cases where the document if it existed would be, an exempt document under section 28 or 31.

I think Mr Storey's concerns are addressed in amendment No. 2. That amendment covers the discussion about sections 28 and 31, which refer to two different types of exempt documents.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

2. Clause 1, line 6. omit "28 or".

This amendment addresses the matter that concerns Mr Storey. The purpose of the amendment is to make it clear that only section 31 exemptions, that is, those in respect of law enforcement documents, are covered. Cabinet documents, which are dealt with in section 28, are not covered by the Bill.

Hon. HADDON STOREY (East Yarra)—It appears the government has accepted the proposition put forward by the coalition in the second-reading debate that the Bill

should be confined to law enforcement documents and should not apply to Cabinet documents. The coalition was prepared to move amendments to confine the Bill in that way. The amendments circulated in my name, the first of which is identical to the amendment moved by the Minister, are to the same effect. As the government has now accepted the coalition's point of view, and as the amendment proposed by the Minister and subsequent proposed amendments will amend the Bill, I will not proceed with the amendments circulated in my name.

I point out that, if there was ever a classic case of the need for members of Parliament to have access to computers and terminals so that they can see what amendments look like when they are written into the Act, this is such a case. With this amendment it is necessary to take the section of the Act, apply the provisions of the Bill to see how it changes the section and then apply the amendments to see how they change the amended section. Only in that way do honourable members know how the amendments will work. The Opposition has some concern about whether the amendments will finally achieve exactly what is intended, but they will ensure that the Bill does not apply to Cabinet documents. Therefore, the coalition accepts that the government has acceded to its request, and will support this and the other amendments.

Amendment agreed to; amended clause agreed to; clause 2 agreed to.

Clause 3

Hon. M. A. LYSTER (Minister for Local Government)—I move:

3. Clause 3, line 8, omit "is, or".

The amendment makes it clear that the provision applies only to non-existent documents.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

4. Clause 3, line 9, omit "28 or 31 and" and insert "31 but".

This amendment again clarifies the fact that only section 31, relating to law enforcement documents, is covered, and that Cabinet documents are not covered.

Hon. HADDON STOREY (East Yarra)—I am provoked by the terminology used by the Minister. She continues to say that the amendments make it clear the Bill applies only to these documents. It is absolutely clear the Bill did apply to Cabinet documents; it is only because she is now moving these amendments that it does not apply to Cabinet documents. What the Minister is putting is not a clarification but an acceptance by the government that the Bill was wrong in the first place. The government now agrees with the argument put forward by the coalition and is amending the Bill accordingly.

Amendment agreed to.

Hon. M. A. LYSTER (Minister for Local Government)—I move:

5. Clause 3, line 12, omit ", or if it existed would be,".

6. Clause 3, line 13, after "31", insert "or that, if it existed, would be an exempt document under section 31".

Amendments agreed to; amended clause agreed to; clause 4 agreed to.

Reported to House with amendments.

Passed remaining stages.

VICTORIAN DEBT RETIREMENT FUND BILL

Second reading

Debate resumed from 27 November; motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

Hon. R. M. HALLAM (Western)—The establishment of the debt retirement fund was a key element of the Budget speech. That was somewhat intriguing, because while the Treasurer was announcing the establishment of the fund he was going to great lengths to explain away the massive debt problems that confront the State.

In his speech the Treasurer talked about the historical factors that affect the State debt, implying that the government had somehow inherited the problem. He even quoted from the 1968 Budget speech, relying on the words of the then Premier, Henry Bolte, to somehow justify the current level of debt. The Treasurer said the public sector was defined differently in different States. For example he said that in New South Wales the provision of gas and the production of coal to generate electricity fell within the private sector and that therefore comparisons between Victoria and New South Wales in those areas were misleading. He then pointed out that net debt as a percentage of gross State debt was falling and had been doing so consistently for some years.

Despite that the Treasurer reached the inevitable conclusion that the level of State debt had become a problem. Page 8 of the Budget speech says:

> The cost of servicing debt, however, has now reached a point where the policies of the past need fundamental change.

Notwithstanding all of his attempts to explain away our debt problem, the Treasurer was forced to concede the need for a dramatic change in government policy direction.

The PRESIDENT—Order! I take it Mr Hallam is aware that he is not supposed to quote from debates in another place during the same session.

Hon. R. M. HALLAM—It was the same Budget speech that reached this House.

The PRESIDENT—Order! That's different!

Hon. R. M. HALLAM—That was an amazing concession.

Hon. W. A. Landeryou—What, by the President?

Hon. R. M. HALLAM—No, by the Treasurer of this State, who was forced to concede that the State faces major debt problems. It was the first time that the penny dropped for the Treasurer and the first time that the government had been prepared to concede the grave consequences of the debt confronting the State. In effect the Treasurer conceded that the excesses of the past had come back to haunt us.

That does not surprise members of the opposition parties. I, like other members on this side of the House, have consistently highlighted the extent of the problem for some years. We find no joy in saying we told you so. Whatever else can be said, this Labor administration has taken Victoria with it in its drive to destroy our economy.

For years we have been told how our economy is poised on the edge of greatness and how we will be saved by the J curve and how the economy cannot currently be described as being in a recession. But I note that all that has changed as of today because the world's greatest Treasurer has at last conceded that the Australian economy is in recession. I do not believe we have ever been poised on the edge of greatness during the life of the Labor administration. If we have been poised on the edge of anything, we have been poised on the edge of catastrophe.

Victorians have been humiliated, not merely hurt, by the government. Our economy has been destroyed and Victoria has become known as the Albania of Australia. At long last those who have engineered and supervised the demise of our economy have conceded that the consequences of the level of State debt are frightening. There has been debate about the precise dimension of the debt. In his report the Auditor-General said that at 30 June of this year the State debt had reached $36.2 billion and that every man, woman and child in Victoria owed $7430 as a result. On the other hand, the Budget Papers say that at 30 June this year the State debt stood at $26.6 billion; and the Treasurer concedes that the debt will climb to $27.2 billion by 30 June next year.

It is interesting to note that even on the Treasurer's commuted figures the State debt has blown out to $26.6 billion—and that figure anticipates that asset sale proceeds of $2.6 billion will be received for the year. Even if one accepts the Treasurer's figures the Budget documents understate the true level of debt. In any dispute between the Victorian Treasurer and the Auditor-General about the true level of State debt, it is clear whose figures I would accept.

Hon. D. E. Henshaw—The Treasurer's.

Hon. R. M. HALLAM—Not the Treasurer's. In fact, spare us from the Treasurer! As in many other instances we cannot rely on figures produced by the Treasurer and his government. When the Labor government came to office in 1982 the State debt was $11 billion; nine years later it has grown to $27.2 billion.

Hon. B. W. Mier—What about the assets?

Hon. R. M. HALLAM—I concede, Minister, that that 144 per cent increase in State debt has to be adjusted for the effects of inflation.

Hon. D. E. Henshaw interjected.

Hon. R. M. HALLAM—We keep hearing about relative wealth. Under this administration State debt has increased by 29.5 per cent in real terms. Despite the government's attempts to rationalise and play down the extent of the problem, the one thing that has brought down the State is the impact of the increase in interest rates, which has added to the cost of servicing the debt. The increase in the cost of servicing the debt cannot be disclaimed by the government because the higher interest rates are partly the result of the actions of this failed government. Its mismanagement has led to our diminished credit rating. The Victorian Labor government must bear at least some responsibility for the judgment that others are making of Victoria.

Hon. K. M. Smith—Totally—not partly, totally.

Hon. R. M. HALLAM—I was trying to be kind, Mr Smith. During briefings on the problems faced by the State Bank we were given the benefit of the advice of the key players in Australian economic circles. One of the saddest things said at the briefing was a comment made by someone whom I respect highly. It was his comment that it was now inappropriate to include on any document "incorporated in Victoria". The stench has gone so far that our name is known right across the world. That is sad.

Hon. T. C. Theophanous—Who said that?

Hon. R. M. HALLAM—It was someone in the banking industry whom I respect highly. The government cannot claim that all the increase in service costs relates to external factors because it is the failed policies of the same administration that has led to the assessment of those from whom we seek financial accommodation.

I refer to the interest charges incurred by the government. Table A.3 on page 129 of Budget Paper No. 2 reveals that the interest incurred by the State for the year ended 30 June 1990 was $1441.8 million. As previously explained, I do not accept the

government's allocation for interest. In fact that table is fundamentally flawed and I have raised that issue in this House on previous occasions. I have highlighted the extent to which this government has, in what I regard as a scandalous way, schemed to roll over interest into the following year.

The Auditor-General's report disclosed that that figure has been understated by no less than $381 million. In other words, despite what the Budget documents say the true cost of interest to this State for the year ended 30 June 1990 is not $1.4 billion but $1.8 billion. Apart from the camouflage, the lack of disclosure and all the misleading comparisons to which this chart is related, I want to compare the true cost of interest as exposed by the Auditor-General to total revenue. That is the true test. The revenue as disclosed by table 1.1 on page 1 of Budget Paper No. 4 shows our taxes and charges are expected to bring in $5.8 billion this year. What those figures now disclose is that we will spend 31 cents in every $1 we raise in taxes and charges from Victorian taxpayers just to meet the interest on State debt. That is a true comparison. Whatever else the government can argue, it cannot get around the facts.

My assessment is confirmed by the Auditor-General. I admit it is not confirmed by the Budget documents but then they have been shown to be shonky time and again. The figures confirmed by the Auditor-General reveal that 31 cents in every $1 raised from Victorians by way of taxes, fees and fines goes to meeting the interest on the previous debt.

Although my first reaction to the Bill was that I welcomed the change of heart demonstrated by the government in that at long last it recognised the failure of its previous policies and although I also welcome that the government, at long last, has acknowledged that we need a debt retirement fund, that should not come as any surprise because year after year the coalition has been recording in this place and in the Legislative Assembly that we regard that as a crucial initiative of government and we have placed on record and released publicly a specific plan to address the incredible level of debt in this State.

I shall dwell for a moment on the need for strategy. One of the saddest aspects of the Bill is that it recognises at long last that all is not well in the garden State. Never before in the history of this great nation has an individual State had its credit rating downgraded in isolation, no other State but Victoria under this administration. We had to suffer the insult of Victoria's credit rating being singled out as not meeting the standards of other States.

Hon. B. W. Mier—That is not quite as bad as the banks.

Hon. R. M. HALLAM—I shall come back to that interjection. As it happens we have been joined in that insult by poor little Tasmania. Now there are two States that have had the insult of separate credit ratings. We have been downgraded by Moody's Investors Service and by Australian Ratings Pty Ltd and we must ask why Victoria has fared so badly even in relative terms to the other States. Mr Mier is a Minister of the Crown. He should be able to tell us why Victoria is doing so poorly.

Hon. B. W. Mier—It is doing better than all the other States. It is just your miserable analysis of the situation. You really are a miserable person.

Hon. ROSEMARY VARTY (Nunawading)—On a point of order, Mr President, I found those comments about the honourable member insulting and I request the Minister to withdraw.

The PRESIDENT—Order! The remarks are very personal and they are gratuitous. I ask the Minister to withdraw.

Hon. B. W. Mier—Righto.

Hon. K. M. Smith—Withdraw!

Hon. B. W. Mier—I did.

Hon. K. M. Smith—Stand up and withdraw properly.

Hon. R. M. HALLAM (Western)—I can understand the sensitivity of the Minister because he happened to be a Minister of the Crown at the time when we suffered that insult, when we lost our pride of place and went to the bottom of the credit ratings. This is the first time in history that an individual State has been singled out for that sort of insult.

Another interesting thing in the Budget documents is the reference to the $2.6 billion assets sales program. What it does not mention, or at least put much emphasis on, is that that is not the end of the program; there is another $700 million to be found somewhere. Now we have this great debt reduction strategy; we have a debt retirement Bill. The government says that we must give great importance to this and we must address at long last the problems of Victoria. We would be forgiven for expecting the debt of this State to fall in those circumstances.

Does the debt fall? No, it does not! In fact, the Budget documents predict that the net debt of Victoria this year under all those policies will blow out by another $576 million. There we have it in a nutshell: the only strategy we have is a crisis strategy; one brought about by a direct result of the failed policies of the government. In these circumstances would the Opposition jump at the opportunity to implement a debt retirement Bill in this place? I am afraid not; not because we disagree with the strategy of all the flash rhetoric that takes place, but because we do not trust the snake oil salesmen who are presenting it to us. That is the problem.

The strategy that we keep hearing about includes flogging off our State Bank, selling our State Insurance Office, getting what we can for our State forests and selling the 35 per cent interest we have in the Portland aluminium smelter. That is what the strategy is: crisis—sell what is not nailed down!

An Honourable Member—A fire sale!

Hon. R. M. HALLAM—A fire sale. This Bill is presented to us as a gift horse, the implication being we should not look in the mouth of this gift horse. My concern is that it is not a gift horse but a Trojan Horse that carries a poison message with it. We may look in the mouth of the gift horse, but I can tell you we will look about its points very carefully. I can promise you that, Mr Mier.

Hon. B. W. Mier—You would be battling to lift up its tail.

Hon. R. M. HALLAM—The Opposition will not be opposing the Bill but will be bringing forward a whole range of amendments. It is interesting to note Mr Mier was the only one who thought that was funny. The amendments are designed to ensure that what we see and what we are told we are getting is in fact what we get. We have a number of concerns which go to the issue of whether this is a genuine strategy that will effectively address Victoria's massive debt or whether it is simply another clever marketing ploy designed to delude the taxpayers of the State. The government cannot complain about the Opposition coming to this position with some scepticism because, apart from the debt level, the camouflage of interest and all the smart schemes we have seen, and apart from the downgrading of our credit rating, one of the tenets of the policy itself is to allocate each year to the debt retirement fund the grandiose sum of $100 million from the Consolidated Fund. We are going to retire debt at the rate of $100 million a year as a direct charge to the consolidated fund, the public purse. What the government has perhaps failed to comprehend is that the State debt is more than $30 billion.

Hon. T. C. Theophanous—How is that defined? Is that the Auditor-General's definition?

Hon. R. M. HALLAM—We will go back and take $27.6 billion, as quoted in the Budget documents, if that suits your purpose any better. The real point I want to make in respect of this is that if we use that rate of repayment we can look forward to repaying off this debt over a period of 300 years—that puts it into perspective! Never mind the interest, it will take 300 years to pay off the debt at your rate of repayment. Do you still want to argue about the level of debt? Are you really concerned whether it is $27 billion, $28 billion or $30 billion because the difference will be 270, 280 or 300 years—none of us will be here to see it! It is an absolute joke!

Another concern I have is that this magnificent debt authority shall comprise the Director-General of Treasury; an officer of Treasury appointed by the Governor in Council on the recommendation of the Treasurer, Mr Roper—Victoria's biggest joke; plus two other persons appointed by the Governor in Council. The second-reading speech says there will be two persons of independence appointed, but in fact the Bill does not say that and all four members will be directly appointed or their appointments will be influenced by the Treasurer. In effect what is going to happen is that we will once again have Caesar appealing to Caesar; the Treasurer appointing the people who will sit in judgment on the debt retirement strategy, in a position of influence to determine the outcome.

I do not want to reflect on the officers of Treasury but the fact is they will all be appointed by the Treasurer and all the decisions and policy will be directed by the Treasurer. I ask the House: how was it we got into this mess in the first place if it was not by relying on the same Treasurer? Yet we have a Bill which says we should all be happy and content because we are going to set up an authority that will be under the direction of the Treasurer? What an extraordinary situation! Just look at the record—it is absolutely ridiculous!

Then we are told that as part of this great strategy we are going to set up another statutory authority outside the Public Account. My view is: we need another statutory authority like a hole in the head; we have them coming out of our ears now. Part of the problem under this administration is that it is difficult to keep track of public authorities. This Treasurer has become so adept at shifting funds from one to the other it is very hard to get an audit trail. If the government argues that we need statutory authority so we can cancel debt rather than simply hold debt in its own name, I ask: why do we not simply direct the funds to VicFin, or whoever else is holding the security, and direct them to cancel the debt? What is the difference? We do not need another statutory authority.

Hon. R. A. Best—We will find out how much they owe.

Hon. R. M. HALLAM—That is the key question—someone might find out the truth! This Bill also calls for the establishment of a trust fund within the Public Account.

Hon. T. C. Theophanous—That is why you need a separate authority.

Hon. R. M. HALLAM—Your logic eludes me, Mr Theophanous; we have 100 trust funds in the Public Account without the establishment of statutory authorities.

Hon. T. C. Theophanous—It has to be managed.

Hon. R. M. HALLAM—It just shows how little you understand the way the State's finances work. My concern is that this Bill establishes another intermediary, another opportunity to muddy the waters further and to camouflage exactly what is taking place.

Hon. T. C. Theophanous—It clarifies it by putting it into a separate fund.

Hon. R. M. HALLAM—Then why do we need the trust account and a statutory authority?

Hon. T. C. Theophanous—To manage it properly.

Hon. R. M. HALLAM—What is wrong with the Treasurer? I thought he was meant to be managing it. Is that an admission that he cannot manage it and you need another authority to look over his shoulder? If that is the case, why do you want him to direct, not just its membership but precisely the way it operates?

Perhaps my biggest concern, apart from all that, is that the definition of "financial arrangements" in the Bill includes the words "costs of obtaining financial accommodation". I presume that includes interest.

Hon. B. W. Mier—You don't believe in trust accounts.

Hon. R. M. HALLAM—I did not say that, Minister, and you know I didn't. All that does is illustrate that you do not understand what I was saying to you.

If the definition of financial arrangements is to include the cost of obtaining financial accommodation, Mr President, I am even more concerned because that gives this government the opportunity once again to shift interest charges off the Public Account.

Hon. B. W. Mier interjected.

Hon. R. M. HALLAM—That concerns me because the Opposition has caught this mob out time and time again.

Hon. B. W. Mier interjected.

Hon. R. M. HALLAM—One of the things at which the government has become very adept is shifting interest off the Public Account and not counting it. We are now contemplating giving the government another opportunity.

Hon. B. W. Mier interjected.

Hon. R. M. HALLAM—On top of that the Bill provides that the proceeds from the sale of designated assets—that is, those designated, nominated and tapped by the Governor in Council—will go into the debt retirement trust account and not into the Consolidated Fund. I am not happpy with that either. The Opposition was told that the entire thrust of the asset sales program was to be directed to debt retirement.

Hon. B. W. Mier—You're a phoney.

The PRESIDENT—Order! The Minister for Consumer Affairs will cease the running commentary from the sidelines.

Hon. R. M. HALLAM—The entire thrust, we were told, of the asset sales program was to direct the capital released by way of sale proceeds to the retirement of debt. Why is it that only the proceeds from those sales that are designated will now go to the trust fund? I am intrigued by that. I have learnt to be sceptical of this administration. If there is to be another loophole, I want to know why it has been deliberately written into the legislation. That is one of the loopholes the Opposition will close by amendments that will be introduced during the Committee stage. If the Minister and the government are getting the picture that they are not trusted, the Minister is perceptive at least to that extent. If he has picked up the message that his government no longer has the trust of the Victorian community, I congratulate him; at least something of the message has dropped.

Hon. R. A. Best—It only took Keating six months to admit we're in a recession.

Hon. R. M. HALLAM—I understand that if the Opposition introduced an amendment so that the proceeds of all asset sales went into the trust fund, that would cause a problem in respect of the anticipated $388 million in the works and services component of the Budget. I am prepared to seek some way around that, but I am concerned when this government says, "Trust us with the asset sales program," which is effectively what it is saying.

Because of those fundamental concerns and the government's rotten record there will be a range of amendments introduced during the Committee stage. I am instructed to advise the House that, subject to the government's acceptance of those amendments, the Opposition will support the underlying concept of the Bill, that is, the establishment of a debt retirement vehicle, and the Bill will be allowed to pass.

In conclusion I highlight the fact that the Opposition has no problem with the concept of a debt retirement program; it sees that as a crucial and urgent task of the incoming government. It does not have to be convinced on the need to retire debt; that is painfully obvious to every Victorian and, sadly, to every Australian and many on the international scene. The fact that the Kirner government is prepared to recognise that it has a debt problem is an indication of the dimension of the problem.

The Opposition will not accept the Bill in its current form; there are too many opportunities for the government to juggle and camouflage and manipulate the flow of funds. It is too easy for this Bill to be turned into a public relations exercise and we on this side of the House want to be sure that what is described is what we get. Conditional upon the passage of those amendments I inform the House the Opposition will not impede the passage of the Bill.

Hon. T. C. THEOPHANOUS (Jika Jika)—It was not my intention to speak on the Bill but, after listening to some of the comments from the Opposition, I could not resist the temptation to correct the fallacies and misconceptions it continually metes out, thinking that the Victorian public is going to buy the constant stream of abuse about how rotten and terrible things are in this State.

Hon. R. A. Best—Ask the Federal government; they're really impressed!

Hon. R. M. Hallam—Do you live somewhere else?

Hon. T. C. THEOPHANOUS—The Victorian public is sick and tired of the Opposition's whingeing and its negative attitude. That is not what Victorians want to hear; they want to hear about the things the government is going to do to rev up Victoria. It is not just the government that is saying this; it is the newspapers and commentators.

Hon. G. H. Cox—Everybody is against you and you're paranoid about it.

Hon. T. C. THEOPHANOUS—It is not just the commentators in the *Age*—as members of the Opposition would want to think. I draw to the attention of honourable members an article that appeared in the *Herald-Sun* on 19 November this year.

It is written by Don Larkin, who is not exactly renowned for his supportive commentary on the Victorian government, yet his article was headed, "Not that bad a State after all". It is under the banner of "Revving up Victoria". People out in the community do believe that there is a job to be done and they want to pull their sleeves up and get on with it. That is what is being called for by people in Victoria. Mr Larkin in his article states:

> It is important to stress that on a State-by-State basis we are still reasonably competitive.

He goes on to quote a number of figures relating to inflation, unemployment and a host of other indicators of the relative strength of the Victorian economy vis-a-vis

other State economies. He concludes that the Victorian economy is fundamentally strong. On measures such as unemployment he indicates the reality underlying the clichés that the Opposition comes out with about how New South Wales is now ahead of Victoria in the employment stakes.

Hon. R. J. LONG (Gippsland)—On a point of order, Mr President, the Bill creates a debt retirement fund. I cannot understand how Mr Theophanous's comments are related to the Bill. They may be related to the Victorian economy and to a whole lot of other things, but they certainly are not related to the Victorian Debt Retirement Fund this Bill creates. I ask you to direct him to return to the Bill.

Hon. T. C. THEOPHANOUS (Jika Jika)—On the point of order, Mr President, it is quite clear that Opposition members do not understand the intimate relationship between the economy and debt levels. Clearly the two are connected in an intimate way.

The PRESIDENT—Order! Although I accept what the honourable member has just said his contribution to the debate so far has been related entirely to the economy rather than to debt retirement. If the honourable member is able to relate his remarks to debt or debt retirement, of course he can continue. I ask him to endeavour to relate his remarks to the subject matter of the Bill and not to speak in an unrelated way on the economy generally.

Hon. T. C. THEOPHANOUS—The principal question one needs to ask when looking at debt is what the debt is being used for. This leads to a completely different understanding of the meaning of debt in the current context. If an economy is fundamentally strong and is able to generate a strong growth factor and substantial income from production, high employment levels and high incomes, it is not only desirable for that economy to borrow but also is necessary to maintain that high level of growth. The Victorian economy is fundamentally strong and one of the reasons for this——

Honourable members interjecting.

Hon. T. C. THEOPHANOUS—It was Larkin who said it; it is not what I said! One of the reasons it is fundamentally strong is because borrowing took place during strategic times and was used appropriately to expand the Victorian economy in a way that delivered a period of sustained growth over a number of years and allowed for that expansion to occur. This is why Mr Hallam's claim that Victoria is worse off than any other State is flawed.

Hon. ROSEMARY VARTY (Nunawading)—On a point of order, Mr President, again Mr Theophanous is not directly relating his comments on the economy to debt. He is going on with a diatribe about how good the Victorian economy is. As yet we have not heard from him about the Victorian Debt Retirement Fund which is the subject of the Bill we are supposed to be debating.

Hon. B. W. MIER (Minister for Consumer Affairs)—On the same point of order, Mr President, the previous speaker, Mr Hallam, repeatedly referred to ratings and I have no doubt that Mr Theophanous is developing his case; in fact he has gone nowhere near beyond the realms of the economy in the way Mr Hallam did. There is absolutely no point of order. What is being suggested here is that one speaker has the right to do as he likes and the other has not.

The PRESIDENT—Order! Mr Hallam's speech related almost entirely to debt generally, and the reference to ratings to which the Minister has just referred was to ratings for borrowing purposes—in other words, ratings in relation to the incurring of debt.

Mr Theophanous is tending to talk about the economy generally, although I accept that he has made several points on debt. He must, however, relate his remarks more directly to debt and to the Bill.

Hon. T. C. THEOPHANOUS (Jika Jika)—I will endeavour in the remainder of my speech not to repeat the word "economy" just in case Opposition members are offended by the term. Instead I shall examine the fundamental question of debt in terms of the overall strategies the government has launched in the State Budget and in particular the debt management strategy, which has a number of tenets to it. One of the tenets involves asset sales of around $2.6 billion which include the State Bank, and another important component to the strategy is the establishment of the debt retirement fund.

I will outline what is involved in the overall debt strategy the government has put together. It involves a number of tenets: first of all it involves an ongoing restraint in Budget sector outlays, and this is assisted by the expenditure review process. As a member of the Expenditure Review Committee I assure honourable members that we are closely monitoring expenditure to ensure that departments come within their designated expenditure targets, and this is an effective way of ensuring that no additional borrowings are required to meet blow-outs in expenditure. Tough decisions have to be made about expenditure; the government made them and is continuing to make them.

The second tenet involves constraint on new borrowings. The government has ensured that business enterprises limit their borrowing requirements and new funds. This year the State Electricity Commission will not be involved in any new borrowings and this has meant that we can take considerable pressure off the rest of the Budget.

The insistence that government business enterprises reduce or limit their debt is part of the overall debt management strategy of the government. I am surprised that Mr Hallam wants to argue against that course of action. I should have thought he would be a strong supporter of such actions.

The other area involves the establishment of this particular debt retirement fund through the Bill, which will mean allocating a certain amount of money on an annual basis to continue to control debt. The result of these policies this year will be a fall in Budget sector debt in dollar terms of $139 million or 8 per cent in real terms.

Hon. R. M. Hallam—So what is the net financing requirement of the public sector?

Hon. T. C. THEOPHANOUS—I am not here to give Mr Hallam an education on the debt structure of Victoria. He can go and look at the Budget Papers himself.

It should be clearly understood that debt is not something new in Victoria; it has been used in varying ways historically to develop this State. It is part of the whole development strategy of the State and should be understood in that context.

Historically the level of debt in Victoria as a proportion of non-farm gross domestic product has been significantly higher than it is currently. In the early 1960s—when the Liberal Party was in government—Victorian government debt was approximately 55 per cent of general economic activity, as measured by non-farm gross domestic product. This year the ratio will be 25 per cent.

I agree that times change and the financial situation is somewhat different—the economic situation is somewhat different. Mr President, I apologise for using the word "economic"! However, I recognise the situation is different and therefore different ratios may be more appropriate today. I simply make the point that historically high debt is not necessarily synonymous with a non-growth or non-productive era. In fact,

some of the most productive times in this State have been experienced when debt has expanded.

Given that Mr Hallam referred to the so-called debt of $32.6 billion that Victoria is supposed to be experiencing currently—although I am not sure whether that was the figure he preferred because he said he was quite happy to work with the $27.6 billion in the Budget Papers—

Hon. R. M. Hallam—Only for you! You are the only one in Victoria who does not believe the Auditor-General!

Hon. T. C. THEOPHANOUS—To understand the situation, it is important to consider the answer to the question: what is this debt? I have seen references to the Opposition quoting figures as high as $45 billion. Goodness knows where the figures come from!

Certain facts are clear. One is the $32.6 billion of indebtedness, the figure preferred by the Auditor-General. I make two points about it. Firstly, the Auditor-General is very careful to use the word "indebtedness", not "debt". It is a subtle point, one might say. And subtle it is because were the Auditor-General to use the word "debt" rather than "indebtedness", just about every financial commentator in this country would point out to him that it is wrong because it is not the debt, it is the indebtedness. Apparently the difference is that an amount in the order of $16 billion relates to unfunded liabilities in the superannuation funds. Everyone, including members of the Opposition, knows that superannuation funds have not been fully funded and are not fully funded in any State to my knowledge—although I am not sure about that; perhaps one State does fund them.

Hon. R. M. Hallam—Which State are you unsure about?

Hon. T. C. THEOPHANOUS—I think in Queensland they may in fact——

Hon. R. M. Hallam—I thought it might just happen to be Queensland! You can hardly bring yourself to say it!

Hon. Rosemary Varty—Don't let the facts get in the way, will you?

Hon. T. C. THEOPHANOUS—I am happy to refer to the facts. The facts are that in this State superannuation funds have not been funded and so far as I know they are not funded in any other State apart from Queensland. Consequently, for one to talk about unfunded liabilities as debt, when that has never occurred—the New South Wales Auditor-General does not make a practice of doing it and, to my knowledge, neither does any other Auditor-General make a practice of including it as debt—to get around it by using the word "indebtedness" instead of "debt" is stretching the point just a bit too far.

The Opposition has taken it up and refers to a figure of $32.6 billion. If the amount of $16-odd billion is removed—that is, the unfunded liabilities of superannuation funds—one is left with a level of debt that comes down to something like $15 billion.

Hon. K. M. Smith—We are broke; it is as simple as that!

Hon. T. C. THEOPHANOUS—I do not have the exact figure in front of me but it is $14 billion or $15 billion. That is the order of debt we are talking about. One might ask, "If that is the figure—$14 billion or $15 billion—how come the figure in the Budget Papers is $27.6 billion?" The answer is quite simple: there is an amount of debt in the Victorian economy that can be characterised as a debt, when added to the debt of the government sector proper on Budget—if you like—makes the debt approximately $27.6 billion.

Hon. R. M. Hallam—Are you happy with that level of debt?

Hon. T. C. THEOPHANOUS—It is important to understand this point: if there are more government business enterprises and bigger government business enterprises, then almost certainly the debt will be greater because, by definition, all the government business enterprises will borrow money and the debt has to be higher; it cannot be lower. With government business enterprises the debt cannot by definition be lower: for example, New South Wales does not have a government-owned gas utility; Victoria's government-owned gas utility has borrowed money.

Hon. ROSEMARY VARTY (Nunawading)—Mr Acting President, on a point of order, we have been lenient in our treatment so far of Mr Theophanous and his comments on the Victorian Debt Retirement Fund Bill. Now he is discussing matters relating to New South Wales; they are not related to the establishment of a debt retirement fund, which is the subject of the Bill.

The ACTING PRESIDENT (Hon. Robert Lawson)—Order! There is no point of order. I believe Mr Theophanous was about the develop an argument about the gas authority in New South Wales and use it to illustrate the point he was making.

Hon. T. C. THEOPHANOUS (Jika Jika)—Thank you, Mr Acting President; I should be quite happy for you to take the chair at any time! The point I was trying to develop was that debt is a complex problem and the Bill is designed to address that complex problem. I was saying that because Victoria has the Gas and Fuel Corporation, by definition, it has a higher debt than the States that do not have government-owned gas utilities.

Hon. Rosemary Varty—What a load of rubbish!

Hon. T. C. THEOPHANOUS—You cannot have it both ways! Either the Opposition wants to use the $27.6 billion figure, which includes the government business enterprise debts, or it does not want to use that figure but to use the $14 billion figure, which does not include government business enterprises, and make a valid comparison based on that figure. The Opposition should not try to come in here with figures that have floated in from all over the place—$27.6 billion or $32.6 billion—without having made any attempt whatever to understand what is behind those figures and what they mean. The debt retirement fund established by the Bill will be an important step forward in managing the State's debt.

Hon. Rosemary Varty—So now you're saying there is a problem.

Hon. M. A. Birrell (to Hon. Rosemary Varty)—No, they just need a strategy, but there's no problem!

Hon. T. C. THEOPHANOUS—It is quite obvious that your feeble mind is unable to understand that one can have a debt retirement strategy or fund set up in order to——

Hon. M. A. Birrell—Are you replying to my interjection or just continuing with your speech?

The ACTING PRESIDENT—Order! Mr Birrell's interjection is disorderly.

Hon. T. C. THEOPHANOUS—Obviously Mr Birrell is unable to understand the complexity of the debt we face in the current situation or what that means and why the fund has been established. Any action that this government seeks to take that is of a positive nature and designed to assist Victoria to go forward only gets canned by members of the Opposition because they have no idea about what is going on.

I shall quote from a media release issued by the Treasurer on Thursday, 1 November, in regard to this issue, in which he states:

> The Victorian Debt Retirement Fund will be separate to the normal financial operations of the State and will be established as an independent body corporate with four members, two officials from the department of the Treasury and two independent members with appropriate financial management and legal skills.

It is quite clear that the purpose of establishing the fund as separate body corporate is to effectively retire debt. In the same press release the Treasurer states:

> Debt can be effectively retired in several ways, by either buying the debt and cancelling it, buying securities and accumulating interest into the fund, or pledging securities to a trust to meet the payments when due.

The mechanism used——

Hon. R. M. Hallam—What does that mean?

Hon. Rosemary Varty—Yes, why don't you just go through them?

Hon. T. C. THEOPHANOUS—Let me explain. The particular mechanisms that will be used to retire the debt will depend on commercial considerations and the particular measure to be adopted will depend on what is most appropriate in the circumstances. That is why the fund has been set up as a separate body corporate. Obviously Mr Hallam has been unable to grasp the complexity of the issue or to understand how important it is to retire debt in a number of ways, depending on the nature of the debt and precisely what is required.

I support the Bill. It is a positive step towards effectively handling and retiring debt in Victoria. It is an initiative that should be applauded. It is not something that the Opposition should be bagging. If it had any sense of responsibility it would support this Bill rather than wanting this State to go backwards, which is its deep desire.

Hon. ROSEMARY VARTY (Nunawading)—It seems to escape Mr Theophanous's comprehension that the Opposition is, in fact, supporting the Bill. It seems also to escape his comprehension that if there were no problems there would not be a need for the fund. Also, he does not understand that we have already announced the policy. Therefore, is he saying that the government thinks our policy is a pretty good idea, and that it now wants to put it in place?

Mr Theophanous has made the most outlandish and contradictory statement about what has happened in the past eight years. We have heard a diatribe about there being restraint in Budget sector outlays. What an absolute load of rubbish! He talked about there being constraint on new borrowings. If there were constraint on new borrowings there would not be a need to establish this fund. If the debt were under control and if there were constraint, we would not need the fund.

Hon. T. C. Theophanous—You're more ignorant than I thought.

Hon. ROSEMARY VARTY—If the economy were growing and if there were not a problem, why on earth do you have to stand there and justify the position? Why are you selling the State Bank? Why are you flogging off all these other assets? You try to say that debt is good. Debt is good only if it is being productive and if it is increasing productivity.

Hon. T. C. Theophanous—That's exactly what I said.

Hon. ROSEMARY VARTY—You didn't give us your case. You didn't say anything about debt in this State increasing productivity.

Hon. T. C. Theophanous—That's what I said.

Hon. ROSEMARY VARTY—Not once did you say that.

Hon. T. C. Theophanous—Why don't you go down and have a look at *Hansard*!

Hon. ROSEMARY VARTY—You did not address that issue. This government has the greatest ability I have ever seen to use debt in the most inappropriate ways, to turn debt into recurrent expenditure, or to use money for recurrent expenditure that is then capitalised; that is one of those things in business that one would not do, yet this government is able to do it.

The day of reckoning will come; it is approaching quickly. When the Treasurer announced in his Budget strategy that he would establish a Victorian Debt Retirement Fund we thought that was a reasonable idea. But then, of course, there were all the qualifications all those little bits that are attached or things that will not happen that one would normally expect in a sensible, logical and rational approach to the establishment of a debt retirement fund.

We certainly do not disagree with the concept. We have said that right from the outset. If there were a genuine attempt—and I mean a "genuine" attempt—to manage the debt of this State, we would have no problem. If it were an attempt genuinely to reduce the level of the debt of this State we would likewise have no problems. If it were about the implementation of a genuine debt reduction strategy, likewise we would wholeheartedly support such action, but, of course it is not—it is a smokescreen. It is an attempt to launder and cover up the true position.

Our opposition centres on a number of points: firstly, the wide discretion that is placed in the hands of the Treasurer. We have seen what has happened in the past when a Treasurer of this State got his hands on organisations; we have seen what has happened to Tricontinental and to the State Bank because the Treasurer had control of those entities.

Hon. T. C. Theophanous—He did not!

Hon. B. W. Mier—No, he did not. I can tell you that the Tricontinental Royal Commission will find out a lot.

Hon. ROSEMARY VARTY—The Royal Commission will bring forth a lot of interesting material.

Hon. B. W. Mier—We are looking forward to the outcome of that inquiry.

Hon. ROSEMARY VARTY—We are just waiting to see.

Hon. B. W. Mier—So are we.

The ACTING PRESIDENT—Order! All this talk about the Royal Commission is interesting, but I suggest we wait until it is actually convened.

Hon. ROSEMARY VARTY—Secondly, we have grave concerns about the disclosure provisions, and they will be addressed in the amendments that Mr Hallam alluded to. Thirdly, we would want disclosure of government and authority debt strategies because, as yet, we have not heard what the individual strategies of those various components that will be involved are. Of course we would want to include our standard disallowance provision, for fairly obvious reasons.

It has taken a long time for the government to acknowledge that debt is a problem. The crisis that has been created over the past eight years will not be easily overcome. The reality is that it has been covered up for more than six years and in only the past two years have we seen any acknowledgment that there is any sort of problem. At least it is pleasing that by the introduction of this Bill, the government acknowledges there is a problem.

The government has operated on the theory that you borrow money now and you buy at today's prices for assets that will be used by future generations. They do that on the basis that over time debt will be reduced in real value because of inflation. That is fine if you do not intend to increase the total amount of borrowing. If the level of borrowing remains the same that theory works but that has not occurred. The total quantum of debt has increased. The borrowing has been at a greater rate than the increase in the rate of inflation. There has been a net increase in the total stock of debt. That blows that lovely Sheehan theory out the window!

The real problem with debt in Victoria is the cost of servicing it. If you have static interest rates and if you have a productive economy you can stand an increase in the level of debt but that has not occurred. There has been no growth in the economy in Victoria and, compared with other States, it is going backwards.

Hon. T. C. Theophanous—That is rubbish.

Hon. ROSEMARY VARTY—On a comparative basis this State is going backwards.

Hon. T. C. Theophanous—We have had a growth rate.

Hon. ROSEMARY VARTY—Every other State has had a better growth rate than Victoria.

Hon. B. W. Mier—You are a victim of your own propaganda.

Hon. ROSEMARY VARTY—Not only has there been an increase in the service rate but a real increase in rates has occurred. Borrowing is fine if there is a productive return greater than the cost of borrowing but that does not happen in the government sector. In the private sector when you borrow you take a calculated risk that your return will be greater than the cost of actually borrowing because a large amount of that borrowing is being used to meet ongoing expenditure. There has been a conversion—which is a punishable offence in the private sector—but the government gets away with it. Mr Hallam went into an amount of detail about the actual level of debt in Victoria.

Hon. T. C. Theophanous—He got it wrong three times.

Hon. ROSEMARY VARTY—No, he did not get it wrong, Mr Theophanous; you got it wrong. You have never yet been able to address the real issues and understand what the real debt level actually is.

Hon. T. C. Theophanous—What is your figure?

Hon. B. W. Mier—If you know what the debt is, tell us the assets.

Hon. ROSEMARY VARTY—What is the strategy of this government? It is to sell the State Bank which of course is not a genuine debt reduction strategy; it is actually only going backwards in terms of debt reduction. It will not even pay out the debt that has been incurred.

Hon. B. W. Mier—They are debts against what?

Hon. ROSEMARY VARTY—If you look at the statutory authorities the problem is just as bad because they have to pay an increasing amount of their revenue to meet the debt servicing cost. Of course overseas lenders are dealing very severely with this government; they are being very severe indeed not only in the case of a reduced credit rating but also for access to borrowings.

Hon. R. M. Hallam—Some are not dealing at all.

Hon. ROSEMARY VARTY—Some are not dealing at all. The cost of borrowing from overseas areas has greatly increased. Mr Theophanous does not understand what happens when those agencies withdraw access to borrowings. He does not understand the impact of that action on the economy.

Hon. T. C. Theophanous—Interest rates have come down.

Hon. ROSEMARY VARTY—Once upon a time Victoria used to be the centre of manufacturing industry in Australia; once upon a time it had the most efficient rural sector but now credit agencies talk about government paralysis and the government's inability to take action and make decisions. Consequently this State is going downhill faster than you can go in a billy cart down a slippery slope!

This government is a morally bankrupt government. It has no concern for these people who are losing jobs nor for the businesses that are closing. It has no concern whatever for families who are being put out of their homes. Everyone has seen the level of incompetence in Victoria and it is at a level that has never been previously seen in Australia. A genuine commitment on the part of the government is necessary to make this debt management strategy work. We have heard a lot of platitudes tonight—nothing but platitudes!

Hon. T. C. Theophanous—Nothing compared with yours.

Hon. ROSEMARY VARTY—Nothing but platitudes! This debt management strategy that the government is trying to put in place is not an independent authority. Again it will be at the behest of the Treasurer.

Hon. R. M. Hallam—It is captive.

Hon. ROSEMARY VARTY—It is an absolute fraud. The Opposition is not happy with the legislation in its present form but it will not oppose it. It will amend the legislation to make it comply more closely with what a genuine debt management fund is expected to be.

Honourable Members—Hear, hear!

Hon. K. M. Smith—An excellent contribution.

Motion agreed to.

Read second time.

Third reading

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—By leave, I move:

That this Bill be now read a third time.

Hon. R. I. Knowles—Leave refused.

Ordered to be committed next day.

ENVIRONMENT PROTECTION (FEES AND PENALTIES) BILL

Second reading

Debate resumed from 21 November; motion of Hon. B. T. PULLEN (Minister for Education).

Hon. M. A. BIRRELL (East Yarra)—The proposal before the House seeks to increase a number of penalties and fines under the Environment Protection Act.

The Liberal Party created the Environment Protection Authority and established a very sound trend to ensure that companies act as good corporate citizens; that individuals meet their responsibilities to respect our environment and to ensure that future generations of Victorians do not inherit a State that has been seriously degraded by avoidable actions against air, water and land quality.

There is no doubt that the legislation has served Victoria well and the bulk of the measures proposed in the amending Bill are ones that enjoy the support of the coalition parties.

It is clear today that the debate about the user-pays principle is also a debate about polluter-pays. If the polluter does not pay for the cost of enforcing reasonable environment protection laws, clearly the taxpayer will.

We must make every endeavour to ensure that we promote industry and economic growth in the State. It will, of course, be in a framework where environmental protection is one factor that must be considered. It is within those often competing objectives that the Bill sits.

The Opposition's concern has arisen from consultations with industry and environment groups about the proposals. Concern has been based on the fact that there should be a level playing field, which requires advanced notice of fee increases to industry. Concern is also based on the fact that the fast moving pace of understanding about environment problems means that legislation is often out of date and that so-called uniform legislation is often lacking in uniformity as quickly as it is passed.

The Opposition has consulted with bodies as diverse as the Australian Chamber of Manufactures, the Law Institute of Victoria, Greenpeace, the Victorian Waste Management Association, the Conservation Council of Victoria, the Packaging Council of Australia and our friends, the New South Wales government, which is regarded by many as the pacesetter in this field. The Opposition has reached the conclusion that the legislation, with amendments, should be passed. The Opposition seeks to move amendments because of its concern about the impact of the legislation, its unfairness in parts or its direction being contrary to our philosophical approach to pollution control.

I deal in particular with issues such as fines and fees. The Bill proposes a substantial increase in fines for those who break the law. No-one in the Chamber, and I hope in the community, would say that people who seriously pollute the environment should be treated in any manner other than with the most serious form of criticism and prosecutions which eventually may result in the individual or the corporation appearing before a court and receiving a heavy fine.

The fines are increased in line with many fines which are currently applied in New South Wales. The government, during the Minister's second-reading speech, has made it clear that the aim of the Bill is to bring Victoria into line with New South Wales. That is a forlorn hope because although the Opposition is permitting the passage of the Bill, the government of New South Wales has already indicated it is considering substantially increasing its fines in the environmental protection area. Victoria will have uniformity only for a matter of months because the government of New South Wales will outpace it in the level of its fines.

There is obviously a need for a national set of fines based on agreement between States that will ensure uniformity, no advantage in border hopping, and no advantage in seeking a weaker jurisdiction. Victoria does not have that and I support the moves for uniformity nationwide so that we avoid the absurdity of States being out of sinc and every State changing its laws year by year simply to catch up with the pacesetter.

The posture being adopted at the Australian New Zealand Environment Ministers meeting is one that the Opposition greatly respects, because it is seeking a common position.

The Opposition supports the increase in fines although it did initiate in discussions with the Environment Protection Authority the need to have uniformity but the initial proposal put forward by the government would not provide uniformity in areas, for example, such as the expansion of offences to include negligent acts. That law is based on the New South Wales law, but failed to take into account that although there is an action for negligence in New South Wales for serious acts of pollution, the similar provision in the Bill does not provide a lower penalty for individuals as against corporations, which was provided in the New South Wales Act. The Opposition sought that change and I am pleased that the government has altered the Bill before introducing it in this House.

The second area of interest relates to fees to be raised under the principal Act as amended. The overwhelming concern of industry is to be sure in advance what costs it will face. The Opposition received a letter from the State Chamber of Commerce and Industry dated 16 November, from Mr Don Larkin, the executive director of the chamber, who states:

> We are concerned that the increase in the maximum fees payable for licences from $54 375 to $304 500 will impose significant burdens on industry when they are already struggling because of difficult economic conditions.

The coalition shares the view of Don Larkin that industry is finding it hard to survive now without the government, almost on a daily basis, introducing a new tax, levy, fee or charge. The Opposition is therefore taking a stand in the legislation to ensure any fee introduced must be phased in on the basis of fairness. Why should industry be faced with massive increases when no notice is given to it of that increase? The amendment I foreshadow will ensure the major fee-raising provisions—that is, for discharge licences—will be phased in. In that regard organisations like the Australian Conservation Foundation support our view for a phase-in of fees. The foundation took the reasonable stance, in a letter to me dated 14 November, written by Peter Allen, the Victorian campaign coordinator, who states:

> We would appreciate a perceived need for clause 6 to be phased in over two years.

I welcome the sensible approach the foundation takes and I acknowledge its support of fee increases overall. The Opposition will introduce amendments in the Committee stage to ensure there is just that type of phase-in.

The other aspect of the debate is exactly what fees the government is trying to raise through this process.

Considerable doubt has been expressed about what the government is actually up to when it says it wishes to raise certain fees. Budget Paper No. 4 of 1990–91 indicates at page 23 that the government is seeking to raise $8.4 million from what it calls "environment protection fees" in 1990–91. The Opposition regards this as a hefty sum, particularly as inadequate notice is being given to industry about these fee increases. Everyone believes that if the government wants a cooperative relationship between business and the Environment Protection Authority advance notice should be given. Equally important is that these fees should not simply be increased above the increase in the consumer price index on a regular basis. Last year the fee was increased once and we now have another Bill to increase the fees again.

The Opposition makes it clear it is seeking from the government an undertaking that it has no plans and no intention of bringing back to Parliament legislation to increase the fee yet again. I look to the Minister to give that undertaking in his response. The

Opposition's amendments are designed to ensure that less money is raised from the fee in the short term, and that will be achieved mainly through the commitment to a phase-in period.

A further aspect to be considered is where the money goes. It is clear the money will not go to the Environment Protection Authority instead it will go from industry via the EPA into the bottomless pit of general State revenue. It is gross hypocrisy for the government to suggest it is assisting the EPA when it is simply using it as a revenue-raising agency. The funds do not go to the EPA; they do not go to environment protection; they do not go to waste minimisation; they simply go to Treasury.

In an interview with ABC television news on Friday, 11 May 1990 the Chairman of the Environment Protection Authority, Dr Brian Robinson, made it clear that fees could easily be put into a dedicated fund rather then simply going into Treasury. In relation to increased licence fees the reporter, Kathy Bowlen, said:

> EPA wants the money itself for the fight against pollution, not for government revenue.

The television report then quoted Dr Robinson saying:

> We think that it has an effect, over and above the financial one, if fines and charges are actually going to a fund which in turn is being used to enhance the environment.

In other words, funds taken from industry should be used for environmental issues relating to industry. That has not occurred, and as Kathy Bowlen concluded in her report:

> The government says that is not likely to happen.

How true that is. The hypocrites in the government claim environmental ascendancy, but they are doing nothing more than seeking to support initiatives that raise revenue and do not assist the environment.

The Opposition regrets the attitude of the government, which contrasts starkly with the attitude of the Greiner coalition government. It has provided dedicated funds from many of the fees it has raised and it is using those dedicated funds for the environment. If this government wants to go down in its last year as simply using the EPA as a milch cow, let it be remembered for such a grubby act.

The Opposition is concerned about another fee-raising aspect of the Bill. Clause 14 seeks to introduce a new fee for any service provided by the Environment Protection Authority. The provision allows the EPA to charge 200 fee units for a service the authority provides. That is a broad and unreasonable request for power by the EPA and could result in fees being charged by the authority to companies well in excess of the licence fees the companies pay under the Act. In other words, it is a substantial revenue-raising mechanism and the Opposition believes it is open to wide abuse.

The coalition has made it clear many times that if Parliament is to be used to give powers to departments the powers should be specific and not so general that Parliament simply hands over its powers to someone else. I make this offer to the government: if it wishes to come back to Parliament with a proposal for specific fee-raising powers for the EPA to complement the existing specific fee-raising powers of that authority, the coalition will entertain such an amendment. However, to give it a widesweeping power that could be used in a punitive way against industry with no remedial benefit and no guarantee the public interest will be protected is unacceptable. Therefore, the coalition will vote against the provision allowing the EPA to levy additional fees.

Clause 4 provides new charges for licensing of premises handling ozone-depleting substances. The Opposition has received representations from the relevant sectors of industry seeking to ensure the charges are introduced on a quarterly basis rather than

an annual basis. In a letter to me dated 23 November 1990 the Association of Fluorocarbon Consumers and Manufacturers states:

> . . . if the fees could be paid on a quarterly basis, it should prove managable.

The industry representations are reasonable, and I look forward to the Minister giving an undertaking that when the regulations for the Bill are introduced there will be a mechanism for quarterly fee raising in relation to chlorofluorocarbons.

The Opposition is concerned about clause 8, which deals with pollution abatement notices, particularly for water and sewerage authorities. The government has run an argument along the following lines: it currently does not have the same power over water and sewerage authorities as it does over private companies, for example, in relation to air pollution. Therefore, the government's powers should be expanded so that it has the powers which, in many cases, are already held by water and sewerage boards but which should also be in the hands of the government. In other words, the government believes there are problems with smaller water and sewerage boards and it wants to deal with those problems via the Environment Protection Act.

That concept is fundamentally flawed. In a marathon task over many months Parliament recently dealt with amendments to the Water Act. New imperatives were introduced in terms of environment protection by water and sewerage boards, and the powers of the boards were made subject to the Minister responsible for water resources. Only months after a total rewrite of the legislation the government now wants to introduce new powers controlling water and sewerage boards.

The Opposition issues this invitation: if, after consulting with water and sewerage boards and related agencies, the government wants to introduce proposals to amend either the Melbourne and Metropolitan Board of Works Act or the Water Act, the Opposition will entertain those changes. However, if it simply wants to put forward a proposal replicating existing powers or if it wants to pass the buck from water boards to the EPA the Opposition believes it is approaching the problem incorrectly.

The government should face its responsibilities to water boards and be honest in dealing directly with water boards through the responsible Minister. The Opposition does not like the concept inherent in the government's argument that there are bad, small water boards that should pass their problems to the EPA. If the premise were correct, the passage of the Bill would confirm the trend and the underlying culture of bad, small water boards passing their problems to the authority would not be altered.

If there is to be cultural change in relation to the alleged problem, let it be done through legislation resulting from consultation with the relevant water boards and their related agencies. The Opposition will entertain the changes and discussion of those changes but it will not entertain clause 8.

In conclusion I make it clear that a coalition government will finely balance the requirements of industry with the imperatives of protecting the environment. It will ensure that advance notice is given to industry of fee increases of the massive styles suggested in this Bill.

Through cooperation, it will win the trust of industry so it can work in partnership with it rather than treating it as a permanent enemy, thereby losing a faithful ally in ensuring that corporate citizens act always in the public interest.

Hon. D. M. EVANS (North Eastern)—This is an important piece of legislation because it refers to a State government authority that has a most important task to perform. The Environment Protection Authority has the task of ensuring proper disposal of wastes, protection of the environment from industry or individuals and a

reasonable and sensible approach to managing the problems that can be caused by industrial or other similar discharges to the environment.

My colleague Mr Birrell spelled out in clear terms and in a most important speech the approach that will be taken by the coalition when it becomes the government in due course. It will recognise the responsibilities of the EPA, the problems with which that authority needs to deal and the disciplines a modern society will require. It will also recognise that that society has the capacity to discharge significant and deleterious amounts of waste to the environment and a responsibility to deal with those wastes.

The Bill seems to be rather heavy-handed in its approach to the problems. It is no easier than to quote the first sentence in the second-reading speech to indicate there is a certain amount of levity in the government's approach. It says:

> It is proposed to amend the Environment Protection Act to ensure that the polluter-pays and user-pays principles can be more effectively and equitably implemented.

The polluter-pays and the user-pays principles are good concepts. I am afraid that too many instances of those concepts are being used to put forward a Bill that has some deficiencies in its approach to the issue. Mr Birrell spelled out the requirement to have, so far as possible, a consistent approach to environmental problems across Australia. Not only is that an advantage to industries that can operate from a level playing field but also it does not encourage any State to drop its environmental standards in order to encourage industry to the detriment of the environment.

However, a consistent approach gives a clear indication as to the requirements industry must conform with. Furthermore, the problems that can be caused by movement of chemicals or industrial waste, particularly intractable waste, between one State and another simply because of the opportunity to dispose cheaply—and often illegally and irresponsibly—of waste in one State provides a better opportunity for that to occur.

The legislation contains a number of provisions, some of which the coalition agrees with. In dissecting the information it is essential to draw a clear distinction between fines for transgressions against laws and the raising of fees from businesses. The Opposition has no quarrel with substantial increases in penalties for those who transgress against existing legislation. However, it looks with a more jaundiced eye on the provisions within this particular legislation, which would allow substantially higher fees to be raised against industries that simply wish to carry on a particular process. In order to do that they have to obtain the necessary permits from the EPA.

Substantial increases in fees are provided for in the legislation. They are not punitive fees. They are not necessarily fees to allow for the polluter to pay in that sense. Rather, they are a revenue-raising mechanism adopted by the government. If one were to draw an analogy as to the methodology of the Bill, one would be drawn immediately to the increase in the fees imposed under the Business Franchise (Petroleum Products) Act and the 3 cents a litre charge on fuel sold in Victoria in order to finance the government's promises so far as the Pyramid Building Society is concerned. It had nothing to do with road transport, the motorist or the transport operators. It was introduced to fulfil a government promise and commitment to raise additional funds for a totally different purpose. One suspects this particular legislation is being used in the same way.

The opposition parties were told during the briefing session that the proposed legislation is currently estimated to raise about $5 million. I understand that it is currently raising $2.5 million and some 2500 firms are paying a licence fee with the average fee being about $1000. If the estimated increase is reached, the average fee will be in the order of $2000. That does not sound like a large increase unless one happens to be a small company.

The rub is that major companies can be up for substantial fees indeed—increases in the order of hundreds of thousands of dollars—at a time when industry is facing perhaps its most serious crisis for many decades, some would say since the 1930s.

To use industry—not to punish industry for transgressions against existing legislation but to increase fees on the excuse that it is a polluter-pays issue with the resultant additional yields being paid into consolidated revenue—is a trick which is little better than the con job pulled by the government in putting additional levies on the motorists to pay for the Pyramid Building Society. It is reasonable to have a fee for licences, but it is unreasonable to increase those fees substantially as this legislation provides. Therefore, I strongly support the amendments that will be moved by Mr Birrell.

Clause 8 relates to pollution abatement notices. I understand why there may be some good sense in having one single authority dealing with pollution issues, either discharges to water or the atmosphere. As Mr Birrell pointed out, let us be honest about the way we approach this matter. Let us make it completely and totally consistent. Let businesses and individuals who might be caught in the net know who they are dealing with. Let there not be divided control of authorities. Let people know this is a one-stop shop. If that is the case, let amendments to the relevant water legislation put those responsibilities—if that is the decision—into the charge of the Environment Protection Authority and let Parliament have the opportunity to understand clearly what it is doing and to debate the issues in that form.

I have one or two other concerns with regard to clause 8 (3), particularly in paragraphs (i) and (ii). Those provisions provide penalties for failure to abide by policy, and it seems the Sir Humphreys of this world could have a field day in this area. It might well be that proper control by Parliament will not be exercised.

Clause 14 provides for fees for services, to which Mr Birrell has already referred. When I first read that clause I noted that it contained a potential for revenue raising. That is exactly and precisely what it is. Although there may be some controls by the use of the subordinate legislation process and the supervision of the Legal and Constitutional Committee over the regulation-making powers, nevertheless the formula the clause seeks to operate will run into substantial problems. Even the protection given by the fact that either House can disallow regulations does not appear to deal with it.

I direct to the attention of the Committee and business in Victoria the clearly spelt out policies of the Opposition and the requirement to have a consistent approach across all areas of Australia to recognise that there has been some differences between the penalties and fees for services provided under such a Bill. It is unreasonable to have an unusually heavy additional burden placed on industry. The Bill should pass with the amendment suggested by Mr Birrell.

Motion agreed to.

Read second time.

Ordered to be committed next day.

ADJOURNMENT OF BILLS

Hon. R. I. KNOWLES (Ballarat)—I move:

That so much of the Order of the Council of 5 September 1990, as amended on 14 November 1990, providing for the adjournment of debate until 1991 on Bills introduced or received after 22 November 1990 be suspended as would prevent the State Bank (Succession of Commonwealth Bank) Bill being taken through all stages during the present sittings.

Motion agreed to.

ADJOURNMENT

Shared home ownership scheme—Board of Works plumbing inspectors—Heathcote District Hospital—Waste disposal in southern suburbs—Reimbursement of expenditure by VIC ROADS—Financial Counselling Services—Australian collection of psychiatric art—Bundoora cemetery—Public Record Office—Casterton police radio communications

Hon. B. T. PULLEN (Minister for Education)—I move:

That the Council, at its rising, adjourn until Friday, 30 November at 10.30 a.m.

Motion agreed to.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That the House do now adjourn.

Hon. K. M. SMITH (South Eastern)—I direct to the attention of the Minister for Education a matter for the Minister for Housing and Construction. It is of grave concern to me because it appears that the Ministry of Housing and Construction has misled the people of Victoria who have applied for loans under the shared home owner scheme.

Hon. T. C. Theophanous interjected.

Hon. K. M. SMITH—It is ironic that the Minister for Education is listening to this matter because it was under his carriage of the housing portfolio that these misleading matters occurred. These are matters of urgency that have recently come to a head. There are two separate issues of the government's incompetence in misleading the people.

Hon. T. C. Theophanous interjected.

Hon. K. M. SMITH—Shut up! You might not care about it but I do. If you want to go home, go home!

This is an important matter. I shall not give the Minister the names now but I am prepared to make them available to him when the House rises. One matter concerns a constituent aged 55 years. She is a widow who first applied to the Ministry of Housing and Construction on 1 March 1987 for money under the shared home owners scheme that had been set up by the Ministry.

Hon. B. T. Pullen—What date?

Hon. K. M. SMITH—It was 4 March 1987.

Hon. B. T. Pullen—The scheme was not in operation then.

Hon. K. M. SMITH—Just wait. This lady applied for rental accommodation and for financial assistance to purchase a home. She was notified on 8 November 1988 and interviewed on 16 November. She was told to wait for the shared home ownership scheme which would be available in May or June 1990. The scheme was established for people of more advanced years. She was informed she was on the top of the list.

The lady first approached our office in February 1990 because of the delays she had been experiencing over that period. We were advised on 6 June this year that the Ministry of Housing and Construction was waiting for further funding which would be available after July. On 18 June my constituent advised us she was to have an

interview in approximately two weeks time. She was getting a bit excited about it because it looked as if she was finally going to get some money. That interview was deferred until September this year when she was advised $60 000 would be made available to her.

Two weeks ago she was advised that her application had been deferred until April 1991, and an appointment was arranged for that time.This woman has some serious health problems, although she is holding down a job and is able to earn some necessary funds. She has also deposited in an account the amount of money required by the Ministry.

The Ministry has fobbed this woman off, so she approached us to find out what was going on. When we approached the Ministry we were also fobbed off. We persisted and were advised that the deferral was because of a lack of funding.

I also have a second case concerning another constituent. I must go into this because it is important that both cases are brought to the attention of the House.

Hon. T. C. THEOPHANOUS (Jika Jika)—On a point of order, Mr President, my understanding is that honourable members may raise only one matter on the adjournment debate. Although they are allowed to provide reasonable background in raising that matter, they should not go into a diatribe lasting the length of time the House has had to put up with from Mr Smith.

Hon. K. M. SMITH (South Eastern)—On the point of order, Mr President, I had to give the background details to show the time frame over which this injustice has occurred. I have gone into such detail so that you, Mr President, and the Minister representing the Minister for Housing and Construction will have an understanding of the problem. The Minister seems to have taken it in, but obviously Mr Theophanous does not appreciate the problem.

The PRESIDENT—Order! On the point of order, although it is true honourable members may raise only one matter, that is not necessarily one case. An honourable member may provide two cases to illustrate the one urgent situation requiring remedy.

On the other aspect raised in the point of order, Mr Theophanous is perfectly correct. The honourable member has gone on for some time and I ask him now to make his request.

Hon. K. M. SMITH—My request to the Minister is that he seek advice urgently from the Minister for Housing and Construction to ascertain whether any funding is available for these people after they have been promised funding and have been fobbed off for such long periods. I also ask him to take up the case of my other constituent who has been put in the same position, has been led on, fobbed off and then told that the money is not available. Both these people are in a position where their health is suffering because of the delays caused by this government and the Ministry of Housing and Construction.

Hon. B. A. E. SKEGGS (Templestowe)—The matter I direct to the attention of the Minister for Education, who is the representative in this place of the Minister of Planning and Urban Growth, concerns a request from a number of plumbers in the province I represent who are concerned about the planned massive reduction in the number of Melbourne and Metropolitan Board of Works inspectors from 75 to 25 from 3 December this year. It is claimed the move will save the State government some $7 million annually, but the plumbers are asking at what cost to the community. They have asked me to request the Minister to urgently review the decision.

If the number of inspectors in the metropolitan area is so drastically reduced testing procedures will be decreased and only random tests will be carried out. Fewer plumbing

installations will be tested as a result. The proposed cut in the number of inspectors in the metropolitan area is also of grave concern to residents in the area because it will mean that work that is now usually checked by the inspectors may not be checked probably leading to a decline in plumbing standards. I understand the current fee for a Board of Works approved test is $3.20; surely that fee can be reviewed if the cutback in the number of inspectors has been caused by an insufficient return to the government for the services offered by the Board of Works.

The number of inspectors available in the metropolitan area should not be reduced. On behalf of the plumbers in Templestowe Province who have expressed their concern about the proposal I ask the Minister to urgently review the decision.

Hon. M. T. TEHAN (Central Highlands)—The matter I direct to the attention of the Minister for Health concerns the Heathcote District Hospital. Because the Minister will be aware that a former colleague of ours is a member of the board of the hospital, I am sure my request will be treated favourably!

The hospital has experienced difficulties in financing its accident and emergency unit. Although it is a small hospital with only fifteen beds, statistics for the month of September show a 91 per cent occupancy level; and the hospital treated 542 outpatients in the same month. Because the hospital has insufficient funds to continue to run its accident and emergency unit it approached the regional director of Health Department Victoria, who held out the possibility of increased funding. But rather than receiving additional funds it seems a directive has been given to the hospital advising it to close the unit.

As the director of nursing said in her report to the board of management of the Heathcote District Hospital, her staff are being continually placed in the situation of assessing patients and referring them on to Bendigo for treatment, because the directive refers to outpatient care and the delivery of accident and emergency treatment for other than life-threatening conditions. Bendigo is some 45 kilometres away, with the likelihood of a wait of three to four hours before receiving medical attention.

The director of nursing says that this situation is playing heavily on the emotions of the staff, all of whom are caring professionals. It is of even greater concern when the staff are not able to offer medical attention for accidents such as lacerations, dog bites and road traffic accidents. The people of Heathcote are concerned that the hospital is not able to give tetanus injections for dog bites—and it seems that there are a lot of biting dogs in the area!

The director of nursing is concerned not so much about the patients that can be referred to the medical centre, because there is good cooperation between the hospital and local doctors, but the out-of-hours accidents, especially, which are not life threatening but for which patients have to be diverted to Bendigo, which creates problems for families and patients. The town is serviced by two ambulances, but the current arrangements mean they are constantly travelling between Heathcote and Bendigo.

I ask the Minister to consider this matter and see if there is any way the Heathcote District Hospital can continue its accident and emergency outpatient clinic.

Hon. G. P. CONNARD (Higinbotham)—I direct an issue to the attention of the Minister for Local Government and although this is not a matter directly for her responsibility I know she has an interest in it jointly with the Minister for Planning and Urban Growth. I am aware that she has had meetings in recent days about the general issues of waste disposal about which her responsibilities have a direct relationship.

I have received a letter from the South Eastern Regional Refuse Disposal Group signed by the mayors of seventeen councils in the southern suburbs of Brighton, Sandringham, Oakleigh, Prahran, Malvern, Mordialloc, Hawthorn, Box Hill, Moorabbin, Caulfield, St Kilda, Chelsea, Cranbourne, Frankston, Camberwell, Waverley and Springvale. Basically the concern is about a crisis in the provision of waste facilities. In the next twelve months facilities which service 902 000 people will close.

The current arrangement is: one site at Clayton South serves six councils; another site at Clayton South serves two councils; one site at Springvale serves seven councils; one site at Frankston serves that council and one site at Cranbourne serves that council. The Springvale disposal site that serves 435 000 people will close at the end of this year; the Clayton South disposal site serving 335 000 people will close in June 1991, and the disposal sites at Frankston and Cranbourne serving 150 000 people will close during 1991.

Applications have been made for a new site in each municipality. An application has also been made by Pioneer Concrete (Vic.) Pty Ltd to replace its current site at Clayton South. There has been much local controversy over the groundwater at that site.

The government must intervene because the problems facing these councils are: inadequate resourcing of the Environment Protection Authority; insufficient policy and objective setting by the EPA; cumbersome legislation, and preoccupation with past practice.

The letter from the disposal group suggests that substantial improvement can be obtained in four ways. Firstly, by the EPA setting objectives and standards, worked out in consultation with local government, for waste disposal sites. Secondly, legislation must be amended to provide for current processing of applications for work approvals and licences and to reduce the time available to the EPA to deal with applications—the current time is six months. If sound objectives and standards are set the processing time should be able to be reduced significantly. Thirdly, to improve the resources of the EPA to enable qualified examination and speedier processing of applications for works approval and licences because the time involved is abnormally cumbersome. The final point is to arrange for the Administrative Appeals Tribunal to hear the appeals at the earliest possible time.

The government has been facing these difficulties for at least two or three years and it is critical that action be taken for the sake of 1 million people living in the southern suburbs of Melbourne. I ask the Minister to confer with her colleague the Minister for Planning and Urban Growth and respond to me or to Parliament as rapidly as possible.

Hon. R. S. de FEGELY (Ballarat)—I raise a matter for the attention of the Minister for Education, as the representative for the Minister for Transport in another place. I think the matter might also be of interest to the Minister for Local Government because it has an impact on her portfolio as well. The matter has been brought to my attention by the Secretary of the Shire of Ararat, Mr W. H. Haynes. The shire is greatly concerned about a new method of reimbursement of moneys expended by municipal councils for work carried out on behalf of VIC ROADS. It seems the payments are being deferred and paid in part, the first payment being made in November, with further payments through until the end of the financial year. For the Shire of Ararat the new method means—as a result of the delays in recovering the expenditure it has to bear, interest charges and so on—over a full year it will be looking at something in the order of an additional $20 000 in costs.

The council wrote to the Minister for Transport on 18 October asking him to review the whole program and saying it felt it was unfair that council should have to bear this

extra burden. I have to agree that when one considers the high cost of road making these days and the large outlays that are involved it does not seem fair to place an additional burden on councils that are already overstretched in their expenditures. I believe there must be a problem in the department in relation to funding because in the letter to the Minister the council points out that it was alarmed to learn the Ministry had requested the sum of $15 million be transferred from the Roads Corporation to the Public Transport Corporation to cover the budget shortfall. The Council suggested such a situation was outrageous and said it wished to register its strong objection to such a move. The council said it wished to have the matter reviewed. It has written to Mr Wilson, the regional manager of VIC ROADS in Melbourne, requesting a review.

I ask the Minister to take the matter up with the Minister for Transport to ensure councils are not put at a disadvantage when carrying out work for VIC ROADS.

Hon. D. M. EVANS (North Eastern)—I raise a matter for the attention of the Minister for Consumer Affairs. I refer to financial counselling for people in Victoria. With the current difficult financial situation faced by many families and businesses the opportunity to provide financial counselling is becoming greater and the demand for such services is very intense.

I refer to the excellent service being provided by the former manager of the Commonwealth Development Bank, Mr Andy Finnin, through the Victorian Farmers Federation. I think that is a paid position. In addition to that a correspondent informs me there is a consistent demand through many welfare organisations for financial counselling which could be provided by people who are now retired but who have expertise in the financial area. However, to be eligible to become a volunteer financial counsellor it is necessary to go through a basic course of training presented by the Consumer Advocacy and Financial Counselling Association of Victoria at 247 Flinders Lane, Melbourne. The point is the cost of the course is $160. It is conducted over seventeen days—two consecutive days over eight consecutive weeks plus an extra day—so that travel and accommodation are significant costs, particularly for volunteers from country areas.

I draw the matter to the Minister's attention because I believe the service that retired volunteers could provide would be of major significance and value to people in the community who are having difficulties meeting their financial commitments.

I ask if the Minister could either ensure that such financial counselling courses and accreditation are available in country areas or at least that the cost be reduced so those people who are prepared to work can do so. There is a need for financial counsellors, particularly from the retired work force, but with that sort of inhibition placed in the way, it is less likely that volunteers will come forward. I ask the Minister to address this problem.

Hon. G. R. CRAIGE (Central Highlands)—My question is addressed to the Minister for Health, who is the representative of the Minister for the Arts in another place, and relates to the Australian collection of psychiatric art known as the Cunningham Dax collection of psychiatric art which is housed at 254 Faraday Street, Carlton. That is a single-storey terrace home which the collection shares with two professors.

The collection comprises 9000 drawings and paintings and has been receiving funding since 1986 when it received $500. In 1987 it received $500; in 1988 it received $1000, and in 1989 it received $2700. The application for funding this year was denied. It is important to note that this collection has been looked after by a group of volunteers since 1955. Those people are only too thankful that the Office of Psychiatric Services provides $40 a week for one session for people to help maintain the collection.

It should not be thought that it is not a valuable collection because it is in for the medical profession to make certain judgments of certain psychiatric illnesses from looking at the art. No funding is received at all other than the Office of Psychiatric Services because the Minister for the Arts has denied funding for this year. The collection would not be maintained if it were not for the loyalty of the volunteers involved and the dedication of Cunningham Dax who put countless hours into the work and the collection. I urge the Minister to examine this situation and seek appropriate funding for the collection.

Hon. J. G. MILES (Templestowe)—I have referred the Minister for Health regularly to the acute shortage of cemetery space in metropolitan Melbourne because of the closure and impending closure of many cemeteries like those at Lilydale, Templestowe and Eltham—although there are 2 hectares of land in Eltham that will soon be used for burials because the Eltham Cemetery Trust is going to start burying people on that land.

I asked the Minister for Health as recently as 24 May this year about the much vaunted proposal to build the Bundoora cemetery that was promised by this government—no doubt in carrying out its social justice policy—in 1985. The government promised it would be open within two or three years.

I ask the Minister why the Bundoora cemetery was not opened several years ago. I have asked the Minister this question before and she has given me polite answers that have not told me when it will be opened. When will the government open the Bundoora cemetery which is necessary to alleviate the acute shortage of burial space in Melbourne and which has been promised for five years?

Hon. ROBERT LAWSON (Higinbotham)—I raise a matter with the Minister for Consumer Affairs. I understand he is the representative in this place of the Minister for Property and Services, and I wish to say something about the Public Record Office. The Public Record Office is suffering from the same problem as the Public Library of Victoria and numerous other institutions around Victoria, and that problem is severe lack of funds, staff and space.

At present the Public Record Office is obliged to take in the records from the various public offices, as one might guess from the title, and it is being swamped by masses of paper. These papers must be stored but at present there is no way they can get ahead of the race and sort out which records should be kept and which should be discarded. This is causing extreme difficulty.

Apart from the question of too much paper around the place the office also has the problem of the deterioration of the records it does possess because obviously it possesses many valuable and old records from the colony of Victoria. It happens that we are suffering from galloping amnesia because of the decay of the records.

The department is in turmoil, and I received a newsletter from the public support group, setting out the details of the problems they are encountering. Apparently there is a clash of personality with a Minister over there, and the director who supplied the Opposition with a number of very damning reports about the Public Record Office was dismissed. According to the statements in the newsletter he was dismissed because he was too free with his criticisms of the department. It appears it was an attempt to get someone into the office who is more complacent and easily managed than the gentleman who was dismissed. Therefore we have a serious problem in the Public Record Office, and I ask that the Minister look into the matter before it deteriorates even further.

Hon. B. A. CHAMBERLAIN (Western)—I raise a matter with the Minister for Local Government as the representative in this place of the Minister for Police and

Emergency Services. It concerns a serious problem in the Casterton police district with police radio communications.

The Casterton district is fairly hilly and also very heavily wooded in some areas, and the police apparently find that large areas around Casterton are subject to poor radio communications. This has led to potentially dangerous situations arising where communications have not been able to take place with ambulances and other emergency services. Sometimes it is necessary for a police vehicle to drive to an elevated area to be able to contact the police station in Hamilton, so it is potentially a life-threatening situation.

New equipment is needed in the area to service the needs of the Casterton district, and I ask the Minister to take up the matter with her colleague the Minister for Police and Emergency Services.

Hon. C. J. HOGG (Minister for Health)—In answer to Mrs Tehan, I will certainly check the facts as she has presented them about the outpatients department at the Heathcote District Hospital. I was aware of the issue and she has mentioned before that the size of the outpatients department was being reduced substantially, with patients being referred to the local general practitioners who are just around the corner, and seriously ill patients and serious trauma patients going to the Bendigo Base Hospital. I had not realised there were so many intermediate calls on the attention of an outpatients department, and I will seek more advice about that.

In answer to Mr Craige, I will refer his query to the Minister for the Arts, who will examine the issue he raises.

In answer to Mr Miles on the issue of the cemetery at Bundoora, the matter has been mentioned by Mr Curley of Health Department Victoria, who would be well known to Mr Miles, and I will try to get an exact date and some information from him.

Hon. B. T. PULLEN (Minister for Education)—Mr Smith raised a matter about constituents he believes are waiting on the shared home ownership scheme list. From the dates he mentions, they must have applied initially under a different scheme because the shared home ownership scheme was not launched then. Nevertheless, I respect the concern he feels for his constitutents and their wait for the finance package available that is of some advantage to people. However, there is also a considerable waiting list. I shall convey his concerns and the details he has given to the Minister for Housing and Construction for his response.

Mr Skeggs raised the reduction in the number of plumbing inspectors in the Board of Works. His concern received considerable support from various plumbers in the Chamber; therefore I have no hesitation in conveying his concerns to the Minister for Planning and Urban growth for a response.

Mr de Fegely raised a matter about the impact of changes in the way funds are provided to municipalities, in this case the Shire of Ararat, for road works they carry out on behalf of VIC ROADS. I shall convey his concerns to the Minister for Transport and elicit a response from him.

Hon. M. A. LYSTER (Minister for Local Government)—Mr Connard raised a matter that is certainly not new to me as it is not new to him. It relates to the concerns of the South East Regional Refuse Disposal Group. I shall raise the matter with the Minister for Planning and Urban Growth as it falls within his portfolio responsibility. I know my colleague is keen to pursue with local government recommendations contained in the Natural Resources and Environment Committee report and the more recently released government response to that report. Today the first of a number of meetings was held to work through the recommendations of the report. I shall raise

Mr Connard's concerns because they will have an impact on the activities of this regional refuse group and on others in the area.

I also take the point Mr Connard raises of the time limits placed by different tips in that region and of the grave concern of the councils involved. I shall pass that concern on to the Minister for Planning and Urban Growth.

Mr Chamberlain raised a matter he asked me to pass on to the Minister for Police and Emergency Services. It relates to radio communication problems encountered in the Casterton police district. As he says, the solution to the problem requires the acquisition of new equipment. I do not know the level of cost involved in purchasing that equipment. I do know the Minister for Police and Emergency Services has certain budget priorities. I cannot even guess where radio communication equipment would fit in the list of his priorities, but I shall ask him to consider Mr Chamberlain's request.

Hon. B. W. MIER (Minister for Consumer Affairs)—In response to Mr Evans, who expressed concern about financial counselling services throughout Victoria, the costs associated with the training of financial counsellors and investigation of the possibility of transferring those training programs to country areas where there is a potential for retired persons to undertake that training and offer financial counselling services, I undertake to investigate that request.

Mr Lawson raised a matter for the attention of the Minister for Property and Services, the Honourable Ian Baker, regarding the lack of funding associated with the archives and record preservation services in Victoria. I undertake to convey his concerns and request to the Minister, and to ask the Minister to respond directly to Mr Lawson.

Motion agreed to.

House adjourned 12.1 a.m. (Friday).

QUESTIONS ON NOTICE

MELBOURNE 1996 OLYMPIC BID

(Question No. 378)

Hon. G. B. ASHMAN (Boronia) asked the Minister for Local Government, for the Minister for Agriculture and Rural Affairs:

In respect of each department, agency and authority within his administration, what contributions have been made to the Melbourne 1996 Olympic bid, indicating, in each case, the amount contributed or, in the event of a non-cash contribution, the cash equivalent?

Hon. M. A. LYSTER (Minister for Local Government)—The answer supplied by the Minister for Agriculture and Rurals Affairs is:

I refer the honourable member to the answer given to question on notice No. 515 in the Legislative Assembly.

The answer referred to is as follows:

There are seventeen statutory authorities within the agriculture and rural affairs portfolio. I am advised that none of these authorities has contributed towards the 1996 Olympic bid.

The only involvement which the Department of Agriculture and Rural Affairs (DARA) has had with the Olympic bid has been to develop animal quarantine protocols to enable equestrian events to be held in Australia. The quarantine protocols were developed in conjunction with the Commonwealth government's Australian Quarantine and Inspection Service (AQIS). DARA acts as an agent for AQIS on a full cost recovery basis.

ROAD FUNDS

(Question No. 443)

Hon. ROBERT LAWSON (Higinbotham) asked the Minister for Housing and Construction, for the Minister for Transport:

Have road funds been diverted to the railways to service the immediate needs of the department; if so—(i) what amount is involved; (ii) what will be the effect on Victoria's road building program; and (iii) when will the money be replaced?

Hon. B. T. PULLEN (Minister for Housing and Construction)—The answer supplied by the Minister for Transport is:

The Minister for Transport has advised that the transfer of $15 million of State funding within the road budget to the Public Transport Corporation resulted in only $2m deferment of works within the direct works program. There have been no cuts in the road and traffic management programs as a result of the transfer of funds within Victoria Transport.

EXCESS LAND AND PROPERTY

(Question No. 618)

Hon. G. P. CONNARD (Higinbotham) asked the Minister for Education, for the Minister for Planning and Urban Growth:

Further to the answer to question No. 471 given in this House on 18 September 1990:

(*a*) Has a review taken place to determine which excess land or property is proposed to be sold or disposed of and, if so—(i) who were the departmental officers associated with the review; (iii) what recommendations have been made and, if they have not been made, when will they be made; and (iii) what was the review process?

(*b*) When will the Minister be able to advise what is considered to be excess land or properties?

Hon. B. T. PULLEN (Minister for Education)—The answer supplied by the Minister for Planning and Urban Growth is:

There has been no need to undertake a further review of the eight properties held as seven of these are required for future public purposes and in the mean time are managed by the Department of Property and Services. As previously advised the remaining property being 54–64 Southbank Boulevard, South Melbourne, is surplus to requirements and has been advertised for sale.

SPONSORSHIP FUNDS—DEPARTMENT OF SPORT AND RECREATION

(Question No. 647)

Hon. G. B. ASHMAN (Boronia) asked the Minister for Consumer Affairs, for the Minister for Sport and Recreation:

In respect of each department, authority or agency under his administration:

(*a*) What funds have been given to sporting bodies, organisations or clubs in the form of sponsorship, indicating, in each case—(i) the name of the sporting group and the government agency; (ii) the amount of sponsorship; (iii) the period of sponsorship; (iv) the basic terms upon which the sponsorship was given; (v) the activity being promoted by the sponsorship; and (vi) whether the sporting group is privately owned or has limited membership?

(*b*) In each of the above cases what sponsorship funds directly benefited—(i) less than 20 active participants; (ii) more than 20 but less than 50 active participants; (iii) more than 50 but less than 100 active participants; and (iv) more than 100 active participants?

Hon. B. W. MIER (Minister for Consumer Affairs)—The answer supplied by the Minister for Sport and Recreation is:

The Department of Sport and Recreation funds recognised State sporting associations on an annual basis. To gain recognition to be eligible for funding, the association must meet the following criteria:

(*a*) be registered as an incorporated body with the Registrar for Incorporated Associations or have some other form of legal status;

(*b*) take responsibility for ensuring that an appropriate public liability insurance cover exists for the organisation;

(*c*) be capable of representing all those Victorians participating in a particular sport;

(*d*) be operational for a minimum of three years prior to applying for recognition as a State sporting association by the department;

(*e*) be able to provide the department with audited financial statements for the three years prior to applying for recognition as a State sporting association;

(*f*) be an affiliate of a national body that recognises the association as the State body in Victoria for that particular sport and is recognised by the Australian Sports Commission as the peak body for that sport in Australia.

1. PURPOSE OF THE FUNDING SPONSORSHIP

Provided an association has met the established criteria it is then eligible to apply for funds made available through four department sports funding programs. The programs are:

(*a*) *State Sporting Association Funding Program*

Funds under this program are provided for: administration; coaching; talent identification and development; and participation and social justice programs to assist State sporting associations to effectively and efficiently administer and develop sport at all levels in Victoria.

(*b*) *Advancing Women's Sport Campaign*

Funds under this program are provided to raise the profile of, and develop, women's sport in Victoria.

(*c*) *Sports Development Officer Scheme*

Funds under this program are to provide additional resources to: promote sport; assist elite athletes maintain rigorous training schedules and commitments through the provision of special employment subsidies; and provide employment opportunities that will increase vocational skills.

(*d*) *Commonwealth Bank Sports Scheme*

Funds under this program are provided for the conduct of courses and seminars to redress the inequities associated with the delivery of sporting services in rural Victoria.

The following table gives the name of the organisation, the amount of funding received under each of the above programs, the total amount funded, and where available the number of participants as recorded by the association at the time of applying for funding for 1990–91.

2. 1990–91 SPORTS FUNDING/SPONSORSHIP

Name of the Organisation	*State Sporting Association Funding*	*Advancing Women's Sport Funding*	*Sports Development Officer Funding*	*Commonwealth Bank Sports Scheme Funding*	*Total Funding*	*Participants*
	$	$	$	$	$	No.
Victorian Athletic Association	22 200	1 500	18 750	1 100	43 550	4 542
Victorian Little Athletics Association	31 500			2 200	33 700	21 000
Archery Association of Victoria	5 500	2 600			8 100	600
Auto Cycle Union of Victoria	5 750			600	6 350	2 405
Victorian Badminton Association	17 500		14 064	750	33 314	12 143
Victorian Baseball Association	14 400		9 375		23 775	13 020
Victorian Basketball Association	25 000	2 000	9 375	1 400	38 275	66 602
Victorian Baton Twirling Association	1 000				1 000	72
Australian/Victorian Biathlon Association Inc.	2 500				2 500	140
Victorian Blind Sports Association	7 750			545	8 295	552
Bocce Federation of Victoria	4 313				4 313	1 063
Royal Victorian Lawn Bowls Association Inc.	11 500				11 500	91 376
Calisthenics Victoria	1 000				1 000	8 393
Victorian Cricket Association	26 750			1 600	28 350	104 000
Victorian Amateur Canoe Association	17 400		1 100	500	19 000	421
Victorian Croquet Association Inc.	2 600	500	600	3 700	1 827	
Victorian Cycling Federation Inc.	14 000			1 750	15 750	1 970
Vicdance Inc.	750				750	470
Victorian Sports Association of the Deaf	6 250				6 250	315
Dialysis and Transplant Association of Victoria	800				800	170
Victorian Amateur Diving Association Inc.	5 063			600	5 663	236

Name of the Organisation	*State Sporting Association Funding*	*Advancing Women's Sport Funding*	*Sports Development Officer Funding*	*Commonwealth Bank Sports Scheme Funding*	*Total Funding*	*Participants*
	$	$	$	$	$	No.
Equestrian Federation of Australia Victorian Branch Inc.	5 750			450	6 200	4 320
Victorian Amateur Fencing	8 893	2 120			11 013	220
Gaelic Athletic Association of Victoria	2 000				2 000	380
Victorian Golf Association	25 750	3 000			28 750	93 285
Victorian Gymnastics Association	26 500			1 150	27 650	10 527
Victorian Hang Gliding Association	1 500			500	2 000	429
Victorian Ice Skating Association Inc.	500				500	408
Victorian Indoor Soccer Association Inc.	10 062				10 062	14 006
Victorian Korfball Association Inc.	3 000			1 300	4 300	300
Lacrosse Victoria Inc.	13 500		7 032		20 532	1 810
Victorian Marching Association Inc.	3 100			1 300	4 400	1 750
Victorian Netball Association	26 000			1 600	27 600	114 867
Victorian Orienteering Association	6 750	1 980			8 730	829
Victorian Modern Pentathlon Association Inc.	1 500				1 500	80
Victorian Amateur Pistol Association	3 750			1 000	4 750	3 886
Victorian Rifle Association	1 500			1 200	2 700	1 333
Victorian Rogaining Association	2 500				2 500	1 100
Victorian Parachute Council	1 000				1 000	1 015
Australian Federation of Amateur Roller Skaters Association	7 750				7 750	847
Victorian Rowing Association	14 535		9 375	600	24 510	2 960
Royal Lifesaving Association of Victoria	2 000				2 000	No record
Victorian Rugby Union Inc.	14 100				14 100	1 196
Victorian Small Bore and Air Rifle Association	1 500	480		1 300	3 280	826
Victorian Ski Association	22 500				22 500	7 881
Victorian Soaring Association	1 100	500			1 600	1 208
Victorian Soccer Federation	19 500	1 500	18 750	3 000	42 750	21 422
Victorian Softball Association	15 500			1 500	17 000	9 264

Name of the Organisation	State Sporting Association Funding	Advancing Women's Sport Funding	Sports Development Officer Funding	Commonwealth Bank Sports Scheme Funding	Total Funding	Participants
	$	$	$	$	$	No.
Victorian Squash Federation	23 000			1 600	24 600	28 400
Surf Lifesaving Association of Victoria	10 062				10 062	No record
Australian Surfriders Association of Victoria	16 000	2 500			18 500	2 500
Swimming Victoria	18 300	1 350	7 032	1 900	28 532	14 631
Victorian Table Tennis Association	22 500	650	18 750	2 440	44 340	16 100
Victorian Tennis Association	20 500				20 500	109 000
Ten Pin Bowling Association of Victoria Inc.	12 650				12 650	23 510
Victorian Touch Association	10 062				10 062	6 200
Victorian Amateur Trampoline Association	1 500			500	2 000	304
Triathalon Association of Victoria	2 500	2 000		7 400	11 900	1 715
Australian Underwater Federation (Victorian Branch)	5 300			1 095	6 395	900
Volleyball Victoria Inc.	16 500			1 200	17 700	7 366
Victorian Water Polo Association	6 895		9 375	1 000	17 270	1 542
Victorian Weightlifting Association	21 500		18 750	300	40 550	23 536
Victorian Wheelchair Sports Club of Victoria	12 500				12 500	55
Victorian Wrestling Association	11 500		13 282		24 782	1 030
Victorian Rugby League	11 500				11 500	1 196
Victorian Yachting Council	18 500				18 500	24 932
Hockey Victoria	11 500	10 000		2 670	24 170	15 100
Victorian Power Lifting Association Inc.	1 000	1 000			2 000	105

3. STATUS OF THE ORGANISATION

Each sporting association detailed in this response is an incorporated association, or in a few rare instances, a company. None of these associations is privately owned.

4. CONDITIONS OF FUNDING SPONSORSHIP

(*a*) State Sporting Association Funding Program

In accepting funding from the department, associations are required to comply with the following conditions and agree:

to annually update their development plan and report on progress over the last twelve months.

to provide the department with an annual report as it becomes available.

to provide evidence of payment to the Corporate Affairs Office of the annual fee for an incorporated association.

to submit a statement of receipts and expenditure if total grants received from the department equal or exceed $2000. The statement is to be signed by an office bearer of the association.

where an organisation receives financial assistance in excess of $10 000 from all departmental sources in a financial year, provide the department with a copy of its formally audited annual financial statements including a statement of profit and loss, and balance sheet. The note to accounts should clearly identify grants received from the department and the purpose for which they were expended.

to provide a statement of final costs from a qualified auditor certifying that funds allocated were spent in accordance with the terms and conditions of the grant.

where the department provides financial assistance for salary subsidies, inform the department of changes to staff in that position and invite the department to be involved in the selection of new staff.

that funds are not used for purposes other than those specified in the letter of offer unless specifically agreed to by the department.

that the department be informed of unexpended funds and unless otherwise agreed, funds be returned to the department.

that funding be withdrawn from any sporting organisation that condones the taking of performance enhancing drugs prohibited by the International Olympic Committee Medical Commission.

that funding be withdrawn from any sporting organisation using department funds to assist, in any way, competition in South Africa or with South African sporting teams.

that department funds not be used to fund any program or activity receiving assistance through a tobacco company or cigarette sponsorship.

that the department be acknowledged wherever possible for its involvement in the funding of programs and/or staff in the organisation.

Failure to comply with any of the aforementioned conditions may result in the withdrawal of government assistance and render the association ineligible for future government funding.

(*b*) Advancing Women's Sport Campaign

As per the State sporting association funding program.

(*c*) Sports Development Officer Scheme

In addition to the conditions outlined in the State sporting association funding guidelines the following conditions apply:

The association must be able to provide an environment where the athlete can:

continue to participate satisfactorily in the sporting arena;

develop professionally through the acquisition of vocational skills;

successfully implement programs and activities in line with the association's development plan that will result in the development and advancement of the sport.

Additionally associations must apply for the sports development officer subsidy at the same time as the State sporting association funding program applications are made.

The appointment of the sports development officer is for a twelve-month period only, and the department has the right to withdraw sports development officer funding to a sport so that it may be allocated to another applicant association.

The association must incorporate the work of the sports development officer in the three-year development plan.

Each year the progress of the sports development officer will be reviewed on a quarterly basis. An overall evaluation of the progress made by the sports development officer relating to the development of the sport and their individual sporting achievements and vocational developments will be made annually.

That emphasis be placed on programs which encourage increased participation in sport and talent identification through sport in schools programs and programs designed to strenghten the link between school sport and local sporting groups.

That the association prepare a job description and demonstrate a commitment to the development of a work plan for the officer reflecting involvement in combined sports development initiatives including the Victorian sports experience program. Performance targets and resources should be included.

Unless otherwise negotiated with the Department of Sport and Recreation, all sports development officers are to be committed to a minimum of fifteen Victorian sports experience program days and a further five days of training for the recruitment, and development of local and regional coaches to assist in multi-Aussie Sport activity days.

That the association prepare a budget as part of the application, to support the programs and salary components of the position.

That State associations make a commitment to assisting athletes increase their skill levels through training courses, in-service sessions and on-the-job instruction.

(*d*) Commonwealth Bank Sports Scheme

In addition to the conditions outlined in the State sporting association funding guidelines the following conditions apply:

that associations return the required evaluation questionnaires at the completion of each course funded.

that acknowledgment is given to the support provided by the Commonwealth Bank and the Department of Sport and Recreation on all promotional activities associated with funded courses. Evidence of this acknowledgment should be forwarded to the department. There should be no local co-sponsor for funded programs.

that the General Manager's Department of the Commonwealth Bank be given two weeks notice of the launch of the courses/seminars and an indication as to whether branch managers are required to speak at the courses/seminars.

that the department's regional managers be given two weeks notice from local sporting associations of the number of course/seminar folders and pens that are required. All participants should receive a supply of each.

MONITORING OF LEAD

(Question No. 664)

Hon. M. A. BIRRELL (East Yarra) asked the Minister for Education, for the Minister for Planning and Urban Growth:

Using the same format as figure 5 on page 15 of the 1989–90 report of the Environment Protection Authority, what were the maximum three-month averages for lead in each year from 1982–83 to 1989–90 for each monitoring site, other than Alphington and Keele Street, compared with the State Environment Protection Policy objective?

Hon. B. T. PULLEN (Minister for Education)—The answer supplied by the Minister for Planning and Urban Growth is:

The maximum three-monthly averages for lead in each year from 1982–83 to 1989–90 for each monitoring site, other than Alphington and Keele Street, are shown in the figure hereunder. The concentrations for these monitoring sites are also given in table A.

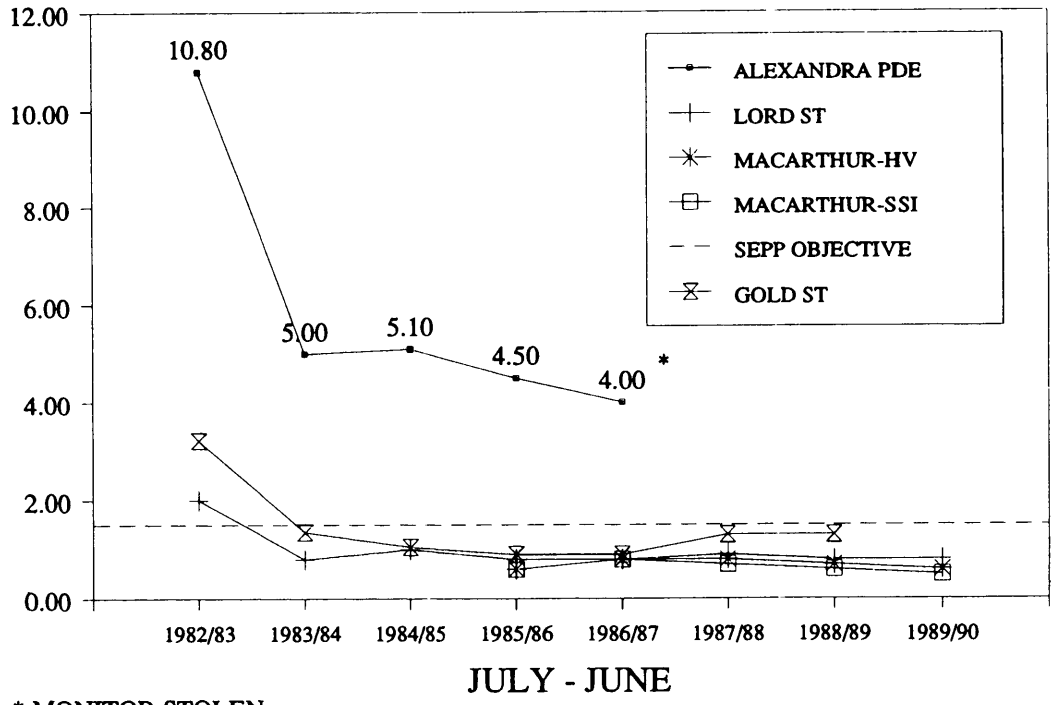
Lord Street and Gold Street sites are located in Richmond and Collingwood respectively. The objective in the State Environment Protection Policy (The Air Environment) of 1.5 micrograms per cubic metre has not been breached at these sites since 1982–83.

At Macarthur Street, lead was measured using a standard high volume sampler (as at all other sites) as well as a high volume sampler with a size selective inlet (SSI) collecting particles less than 10 microns only. This was done as part of the evaluation of new equipment for measuring particles less than 10 microns in size. Both measurements are included and were always less than 1.5 micrograms per cubic metre.

Levels, in excess of the SEPP objective, were recorded at Alexandra Parade in Collingwood. Due to the proximity of the monitor to the road, the concentrations recorded were considered unrepresentative of general exposure levels. Monitoring at this site was discontinued after ongoing vandalism and the monitor being stolen.

ATMOSPHERIC LEAD

MAXIMUM 3-MONTHLY MOVING MEANS



* MONITOR STOLEN

TABLE A

Atmospheric Lead

Maximum—Three-monthly moving means (micrograms per cubic metre)

Site	*Year*							
	1982–83	1983–84	1984–85	1985–86	1986–87	1987–88	1988–89	1989–90
Lord Street	2.00	0.08	1.00	0.80	0.80	0.90	0.80	0.80
Gold Street	3.20	1.35	1.05	0.90	0.90	1.30	1.30	
Macarthur-HV				0.60	0.80	0.80	0.70	0.60
Macarthur-SSI				0.60	0.80	0.70	0.60	0.50
Alexandra Parade	10.80	5.00	5.10	4.50	4.00			

SEPP objective 1.5 micrograms per cubic metre

MOOMBA FESTIVAL

(Question No. 675)

Hon. M. A. BIRRELL (East Yarra) asked the Minister for Industry and Economic Planning, for the Minister for Tourism:

What funds have been provided by the government to assist the Moomba Festival in each year since 1980 and what funds are to be provided in 1991?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The answer supplied by the Minister for Tourism is:

The funds provided by the government in each year since 1980 are as follows:

Year	*Amount*
	$
1980	70 000
1981	120 000
1982	132 000
1983	145 000
1984	145 000
1985	160 000
1986	155 000
1987	155 000
1988	165 000
1989	165 000
1990	490 000
1991	Not yet finalised

GRANT TO AUSMUSIC

(Question No. 687)

Hon. G. P. CONNARD (Higinbotham) asked the Minister for Health, for the Minister for the Arts:

(*a*) What are the criteria for the $250 000 grant to AUSMUSIC?

(*b*) What does AUSMUSIC intend to do with the grant?

(*c*) What is the role of Mr Peter Steedman in AUSMUSIC?

(*d*) What salary, allowance, fee or consultancy fee does Mr Steedman receive from AUSMUSIC?

(*e*) What expenses does Mr Steedman receive from AUSMUSIC including travel expenses?

Hon. C. J. HOGG (Minister for Health)—The answer supplied by the Minister for the Arts is:

(*a*) In 1988, the government approved up to a total of $300 000 for business planning, establishment costs and initial operations of the Australian Contemporary Music Development Company Ltd (AUSMUSIC). The purpose of the funding was to assist the company to establish its operations in Victoria, pending the implementation by the Commonwealth of the blank tape legislation which would provide ongoing funding to AUSMUSIC from around 1992.

The assistance package was developed to ensure that Melbourne improved on its reputation as the home of Australian contemporary music—a $1.5 billion a year industry which provides full and part-time jobs for about 60 000 people nationally.

Release of the funds was made conditional upon the receipt of a satisfactory business plan addressing all aspects of the company's operations for 1990–92. These conditions were met in June 1990 and payment was scheduled as follows:

$150 000 in July 1990

$75 000 in January 1991

$75 000 in July 1991

The second and third instalments are conditional on satisfactory evidence of the effectiveness of the company's planning and management, consistent with realising declared objectives and priorities and balancing their budget.

(*b*) The bulk of the grant is to be used for general operating costs of the company in 1990 and 1991 ($280 000) with $20 000 being allocated to the preparation costs of the business plan.

It should be noted that AUSMUSIC's total operating budget for 1990 is $1 270 000 and that they recently secured a very significant sponsorship from Coca-Cola for "AUSMUSIC 90" as well as project support from other States for their national program.

(*c*) Mr Steedman is the executive director of the company.

(*d*) and (*e*). The question of Mr Steedman's salary package and his entitlement to expenses is a matter between Mr Steedman and the board of directors of the company.

CONSULTANCY FEES—MINISTRY OF THE ARTS

(Question No. 688)

Hon. G. P. CONNARD (Higinbotham) asked the Minister for Health, for the Minister for the Arts:

Did Mr Peter Steedman receive any salary, fee or consultancy brief from the Ministry for the Arts, any of its agencies or any of its funded organisations during 1989–90 or in 1990 to date; if so, what are the details of the position, fee, salary or consultancy, together with time worked?

Hon. C. J. HOGG (Minister for Health)—The answer supplied by the Minister for the Arts is:

Mr Steedman did not receive any salary, fee or consultancy brief from the Ministry for the Arts or any of its agencies during 1989–90 or 1990 to date.

As advised in my answer to question No. 687, the question of Mr Steedman's salary as an employee of any organisation funded by the Ministry is a matter between Mr Steedman and the board of directors of the organisation.

OVERSEAS TRAVEL—DEPARTMENT OF INDUSTRY AND ECONOMIC PLANNING

(Question No. 714)

Hon. G. P. CONNARD (Higinbotham) asked the Minister for Industry and Economic Planning:

What officials within the Ministry, the department and its agencies have received overseas trips during 1989–90 and in 1990–91 to date, indicating the—(i) position held; (ii) purpose of the trip; (iii) countries visited; and (iv) amount paid, including allowances and expenses?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The answer is:

See attached lists.

CURRENT OVERSEAS TRAVEL UNDERTAKEN FOR 1990–91

Department of Industry and Economic Planning

Name	*Countries*	*Duration*	*Purpose*	*Cost*
				$
W. Andree Project Manager	Singapore	1.10.90 15.10.90	To coordinate Victoria's participation at Medic 90 Exhibition	6 490.00
P. Bell Manager, Design Programs	Singapore	8.10.90 26.10.90	To coordinate Victoria's participation in the 2nd International design Forum	6 240.00
A. Firth Project Manager	Singapore	15.10.90 26.10.90	To coordinate Victoria's participation in the 2nd International design Forum	4 530.00
G. Haselgrove General Manager	New Zealand	27.11.90 30.11.90	To attend GOPAC meeting	2 408.00
M. Croft Project Manager	Philippines	9.11.90 18.11.90	To participate in the Pacific Region International Defence Exhibition	10 413.00
L. Watson Project Manager	Philippines	12.11.90 17.11.90	To participate in the Pacific Region International Defence Exhibition	
Jeff Floyd Chief Executive	Hong Kong Japan Singapore Taiwan	10.9.90 27.9.90	To promote investment and Business Migration opportunities in Victoria	10 251.00
V. Basheren Project Manager	Singapore	2.12.90 9.12.90	Coordinate and manage contribution to 8th Offshore South East Asia Exhibition and Conference	3 666.00
P. Casey D/General Manager B. Noonan Project Manager	Canada USA Hong Kong	16.11.90 7.12.90	Manage Victorian exhibit at COMDEF 90. Visits to manufacturers seeking offset work	26 282.00
Tony Baker General Manager	UK Germany	19.11.90 29.11.90	To identify potential European investors in the food processing and minerals processing industries	10 496.00
G. Wathen Project	USA	30.9.90 12.10.90	Investigate development and implementation issues of energy regulations. To introduce Energy Commission officials and other key officials on current policy approaches re: energy resources development	6 200.00

OVERSEAS PROJECTS CORPORATION OF VICTORIA

* Export Market Development Grants Scheme (EMDG)

Name	*Countries*	*Duration*	*Purpose*	*Cost*
				$
D. Jellie OPCV G. Jameson VicRoads	Malaysia	1.7.90 6.7.90	To provide consultancy services to the Malaysian Public Works Department for the rehabilitation of highways	4 303.00 *EMDG 2 261.20 2 041.80
D. Hill K. Karol OPCV	Pakistan Thailand UAE & Singapore	12.7.90 28.7.90	To conduct marketing research	9 156.00 *EMDG 6 409.00 2 747.00
J. Heath OPCV	Uruguay	25.7.90 7.8.90	To undertake a marketing mission	7 647.00 *EMDG 3 535.00 4 139.00
R. Aitken OPCV	Indonesia	8.8.90 12.8.90	To attend briefing of pre-qualifying tendering for a World Bank project	3 733.00 *EMDG 1 972.80 1 760.20
C. Marsden OPCV	Solomon Islands PNG	12.8.90 18.8.90	To investigate opportunities for new projects and to follow-up existing projects	3 492.00 *EMDG 1 670.00 1 822.00
D. Hill OPCV	Hong Kong China	2.9.90 14.9.90	To attend the official opening of the "China-Australia Iron and Steel Industry Training Centre" also marketing research	5 996.00 *EMDG 3 157.00 2 839.00
K. Karol OPCV	Manila Singapore	25.8.90 1.9.90	Marketing Mission	5 144.00 *EMDG 2 494.00 2 650.00
H. Crowe OPCV	Indonesia	21.8.90 5.9.90	Marketing Mission	7 149.00 *EMDG 2 551.00 4 598.00
J. Heath OPCV	China	5.9.90 21.9.90	Marketing Mission	7 478.00 *EMDG 4 548.00 930.00
D. Jellie OPCV G. Jameson VicRoads	Malaysia	25.10.90 31.10.90	Malaysian Highway Rehabilitation Project Bid	9 582.00 *EMDG 4 775.40 4 806.60

Name	*Countries*	*Duration*	*Purpose*	*Cost*
				$
D. Hill OPCV	Philippines Malaysia Singapore Thailand	5.11.90 19.11.90	Marketing Mission	9 221.00 *EMDG 3 467.00 5 754.00
D. Jellie OPCV	Malaysia Thailand	11.11.90 24.11.90	RAMA IX Bridge project Contractual duties	7 154.00 *EMDG 3 061.80 4 092.20
K. Karol OPCV	Pakistan	21.11.90 6.12.90	Marketing Mission	7 386.00 *EMDG 3 654.00 3 732.00
C. Marsden OPCV	Fiji Vanuatu	28.11.90 8.12.90	Marketing Mission and Project Management	7 867.00 *EMDG 1 925.00 5 942.00
D. Anderson VicRoads	Fiji	28.11.90 6.12.90	To hold discussions with Government Officials concerning projects being undertaken in Fiji. To examine project work completed by VicRoads	

COAL CORPORATION OF VICTORIA

Name	*Countries*	*Duration*	*Purpose*	*Cost*
				$
W Cunningham Distribution Manager	New Zealand	26.11.90 10.12.90	To determine follow-up on first briquette shipment with new agent in Korea. To assess the local market situation for briquettes with a view to achieving further export sales.	5 277.00

RENEWABLE ENERGY AUTHORITY VICTORIA

Name	*Countries*	*Duration*	*Purpose*	*Cost*
				$
B. Lowe Project Manager	New Zealand	28.11.90 2.12.90	To attend the Australian and New Zealand Solar Energy Society conference.	1 988.00

DEPARTMENT OF INDUSTRY AND ECONOMIC PLANNING
Summary of Overseas Travel for 1989–90

Name	*Countries*	*Duration*	*Purpose*	*Cost*
				$
W. Andree Project Manger	China Thailand Philippines	23.10.89 8.11.89	To co-ordinate the Thailand–Victoria Building Products Exhibition. Philippines: To promote two proposed trade exhibitions.	8 000.00
P. Kennedy Project Manager	Singapore	8.11.89 22.11.89	To act as stand co-ordinator at the Equestrian and Horse Racing exhibition.	5 040.00
P. Casey Project Director B. Noonan Project Manager	USA	5.10.89 26.10.89	Visit to key military organisations in Hawaii to expand on US military repair and overhaul currently undertaken in Victoria.	27 280.04
G. Chitty Project Manager	Austria Sweden	12.11.89 26.11.89	To assess likely future policies of government support to industry groups and firms. To assess likely changes to the delivery of ordinary and support services.	6 441.28
K. Badenoch General Manager	HK, Taiwan	9.8.89 23.8.89	To conduct business migration seminars and supervise consultants to the East Asia Market Entry program.	9 425.58
J. Stals Project Manager	NZ	26.3.90 31.3.90	Meetings concerning ANZAC Ships project	4 751.87
B. Hasett Director Marketing	Japan Korea HK	9.11.89 26.11.89	Follow-up existing business opportunities and create new contacts with Japanese investors. Visit ARCO—HK to put Victoria's case for site of propylene oxide plant.	7 999.02

Name	Countries	Duration	Purpose	Cost
				$
W. Andree Project Manager	Thailand	13.1.90 27.1.90	To act as stand co-ordinator for the Victorian Industry Participation at "Conbuild 89" building products exhibition.	5 920.00
K. Badenoch General Manger	Italy HK	20.4.90 3.5.90	In relation to the Veneto project to promote the project and encourage specific companies to invest in Victoria. HK: to interview the proposed head of HK Office.	10 330.00
S. Steele Project Manager	Singapore	25.5.90 4.6.90	To act as stand co-ordinator for "Communicasia '90".	5 275.00
M. Croft Project Manager G. Haselgrove General Manager	Singapore Indonesia	4.2–19.2.90 11.2–19.2.90	To co-ordinate the Victorian Aerospace Industry exhibit in Singapore and follow up contacts established at Singapore Air Show.	13 491.00
B. Ferguson Deputy Director General	Japan	21.3.90 28.3.90	To participate in the inaugural "Export to Japan Study program".	119.72
B. Noonan Project Manager	Singapore	7.2.90 20.2.90	To supervise the installation of the Victorian Exhibit at the Asian Aerospace '90 exhibition.	6 716.00
C. Leaw Project Officer	Malaysia HK, Indonesia	31.8.89 23.9.89	To negotiate renewal of consultancy agreements. To interview short listed consultants and to follow-up progress reports from HK consultants.	8 328.00
M. Croft Project Manager	Indonesia	22.5.90 2.6.90	Follow-up proposals to establish studies to define technological and defence requirements which can be met by Victorian industry.	6 630.00
F. Brown Project Officer	Japan	16.9.89 8.10.89	Interview appropriate inbound tour operators to participate in Gift Export project. To promote Victorian meat for export.	10 914.00
A. Pattenden Deputy General Manager	HK, China	1.10.89 24.10.89	Follow-up Victoria–Jiangsu joint economic talks. Prepare for Nanjing and Shanghai office opening.	10 419.44
I. Allen General Manager	Germany Switzeraland	26.2.90 4.3.90	To identify potential investors with a view to the establishment of de-inking plant for Victoria.	6 811.94
R. Spence Executive Officer	USA	4.11.89 15.11.89	To attend Industrial Development and Research Council. To review progress of the Burson Marstellar campaign.	9 631.00

Name	*Countries*	*Duration*	*Purpose*	*Cost*
				$
H. Davies Project Manager	Japan	12.12.89 17.12.89	To attend MFP Steering Committee meeting. To hold discussions with Japan Domestic Committee and investigate projects underway in Japan with relevance to MFP.	5 351.40
K. Badenoch General Manager	HK	20.4.90 3.5.90	To re-establish contacts in East Germany as part of developing the East Europe Program. HK to resolve a number of matters connected with the opening of the HK office.	10 035.00
J. Dalton Project Manager	Singapore Malaysia HK, Taiwan Philippines Indonesia Thailand	17.6.90 5.7.90	To re-negotiate the contracts between DIEP and Market Research consultants. To undertake market review as co-ordinator of Market Review Mission in HK and Taiwan.	10 541.00
G. Cox Project Manager	Japan	3.3.90 19.3.90	To act as stand co-ordinator at FOODEX to promote investment in Victoria's food industry.	16 640.00
J. Cullen Project Manager	Japan	1.3.90 22.3.90	To establish contact with potential investors in new materials program, especially relating to ceramics.	11 682.55
G. Ducasse Project Manager	Italy	12.2.90 26.2.90	To co-ordinate the venues, activities for the Veneto Project.	11 797.29
A. Pattenden Deputy General Manager	China	15.5.90 7.6.90	To confirm the roles, duties and responsibilities of the China consultancy representative. To visit two export zones that offer prospects or joint ventures. To develop leads with the State-owned Investment Corporations.	13 000.00
J. Houghton Project Manager	Japan	20.5.90	To attend the Japanese Bio-industry Development Centre annual convention. To follow up in investment inquiries which have been generated by Burson Marstellar.	7 286.00
P. Bell Manager Design	Singapore	9.6.90 16.6.90	To hold discussions re: preliminary arrangements for Australia's participation at 2nd International Design Forum.	3 045.36
G. Ducasse Project Manager	Italy	10.6.90 20.7.90	To act as co-ordinator for the Veneto project in Italy.	19 018.00

Name	*Countries*	*Duration*	*Purpose*	*Cost*
				$
L. Zalk Deputy General Manager	Italy Belgium	24.6.90 22.7.90	Italy: to participate at a senior level in the Veneto Week promotions. Belgium: to meet with representatives of the European Community Program.	14 055.00
R. Ward	UK	31.8.89 3 year	To take up the position of Director, Economic Development appointment in the Office of the Agent-General in London.	4 005.00
G. Thick	UK	18.9.89 3 year	To take up position of Chief Administration Officer in the Office of the Agent-General in London	7 914.60
A. Nelson	USA	5.12.89 3 year	To take up position of Deputy Commissioner in Los Angeles.	6 004.00

OVERSEAS PROJECTS CORPORATION OF VICTORIA

Summary of Overseas Travel for 1989–90

*Export Market Development Grants Scheme (EMDG)

Name	*Duration*	*Country*	*Purpose*	*Cost*
				$
C. Marsden OPCV	7.8.90 11.8.90	P.N.G.	To assist in production of an end of project report to AIDAB and the PNG Government. To finalise administrative tasks and attend formal functions as OPCV's representative re: Land Data Verification Project.	2 516.00 Project Income
R. Powell OPCV	7.8.89 22.8.89	Philippines	To act as Project Director for the ADB/Philippines Agriculture Technology Education Project.	6 732.00 Project Income
D. Jellie OPCV D. Anderson Roads Corporation	27.7.89 29.7.89 27.7.89 9.8.89	Singapore HK China	To attend a meeting in Singapore re: Pavement Management System. To hold discussions in HK re: Marketing of special foundation inspection equipment. China: Road Construction Supervision Training Project.	10 720.00 *EMDG 5 390.00 5 330.00
H. Crowe OPCV	27.8.89 6.9.89	China	To confirm all aspects of local conditions in relation to the management training program in the iron and steel industry in China.	6 639.00 Project Funds

Name	Duration	Countries	Purpose		Cost
					$
C. Marsden OPCV	31.8.89 9.9.89	Fiji	To review the progress of current projects and insure recently arrived consultants and their families have assimilated.		2 957.00 AIDAB World
R. Powell OPCV	10.9.89 15.9.89	Malaysia	To make a marketing presentation to the Ministry for Education in Kuala Lumpur for English Centre.	*EMDG	4 574.00 2 146.00 2 428.00
D. Hill OPCV Dr Hepple PSB Mr Howley RWC	1.10.89 5.10.89 1.10.89 6.10.89	Philippines	To act as the proposal writing team for the Philippines Technical Assistance Project.	*EMDG	13 822.00 7 299.60 6 522.40
J. Heath OPCV	10.10.89 27.10.89	Pakistan India Nepal	Marketing Mission, to follow-up on specific AIDAB, ADB and World Bank funded operations.	*EMDG	7 270.00 2 835.00 6 522.00
R. Powell OPCV	1.10.89 6.10.89	Philippines	To undertake negotiations with Philippines Government re: Asian Development Program and Others.		4 936.00 Project Income
K. Karol OPCV	15.10.89 1.11.89	Pakistan India	To complete the feasibility study for Karachi Sewerage Recycling Project.		6 654.00 Project Income
H. Crowe OPCV	13.11.89 21.11.89	Indonesia Singapore	To hold discussions re: Overseas representatives for OPCV	*EMDG	4 749.50 2 184.00 2 565.50
D. Hill OPCV	13.11.89 29.11.89	HK Thailand Indonesia Singapore China	To hold discussion re: Overseas representatives for OPCV. To hold discussions on OPCV's contract for RAMA IX Bridge	*EMDG	8 909.00 3 173.00 5 736.00
D. Jellie OPCV J. Rebbechi Roads Corporation	16.1.90 21.1.90	Thailand	To meet with pre-qualified tenderers for the RAMA IX Bridge Resurfacing Project.		10 306.00 Project Funds
K. Bourke Vic Roads D. Jellie OPCV	30.11.89 7.12.89 26.11.89 7.12.89	Saudi Arabia	To study conditions within Saudi Arabia of materials and construction methods and to provide briefings on technical matters.	*EMDG	10 596.00 5 628.00 4 968.00

Name	*Duration*	*Country*	*Purpose*		*Cost*
					$
J. Heath OPCV	11.12.89 15.12.89	NZ	To undertake a marketing exercise to develop co-operative arrangements between OPVC & NZ organisations.	*EMDG	2 733.50 1 120.00 1 613.59
H. Crowe OPCV	11.2.90 16.2.90	Indonesia	Information gathering for major irrigation project bid plus general marketing duties.	*EMDG	4 291.00 2 055.20 2 235.80
D. Hill OPCV	23.2.90 2.3.90	Thailand Malaysia	To present a paper at the Strategic Services Seminar plus general marketing duties.	*EMDG	4 990.00 2 646.00 2 344.00
D. Jellie OPCV	4.3.90 14.3.90	Malaysia	To attend Sixth Conference on Road Engineering Association also general marketing duties.	*EMDG	5 078.00 2 076.20 3 001.80
D. Hill OPCV	15.3.90 22.3.90	Saudi Arabia	To discuss OPCV's intention to enter into the Health Management and Operations Services.	*EMDG	11 525.70 5 768.00 5 757.70
C. Marsden OPCV	8.3.90 17.3.90	Fiji	To inspect progress of consultants relating to three project plus general project investigations.		3 857.00 AIDAB Govt. Fiji
J. Rebbechi Roads Corp D. Jellie OPCV	16.1.89 21.1.90	Thailand	To meet with pre-qualified tenders for RAMA IX Bridge Resurfacing Project.		10 306.00 Project Funds
P. Sturrock OPCV	24.5.90 31.5.90	China	AIDAB called a meeting of all China project staff P. Sturrock as Manager Animal Quarantine Project attended the meeting.		6 815.00 AIDAB

SMALL BUSINESS DEVELOPMENT CORPORATION

Summary of Overseas Travel for 1989–90

Name	*Duration*	*Country*	*Purpose*	*Cost*
				$
S. Holmes G/M SBDC	26.9.89 1.11.89	Germany UK USA Japan	To look at cooperation between small and large business, the encouragement of small business to play a greater role in export markets, and the development of new production and management technology.	17 558.3

COAL CORPORATION OF VICTORIA

Summary of Overseas Travel 1989–90

Name	*Duration*	*Country*	*Purpose*	*Cost*
				$
R. Higgins G/M Dr Allardice Manager	16.3.90 9.4.90	Japan Korea	To undertake further negotiations with the agencies in relation to future use of BCLV pilot plant site. To discuss current developments on brown coal research. To met with CCV major customers. To discuss the Corporation's agency arrangements for distribution of briquettes.	19 383.0
J. Bain Manager Marketing	26.11.89 9.12.89	Taiwan Korea Japan	To attend Fifth Joint Conference of the Taiwan/Australian Trade Assoc.	8 646.0
Dr Perry Research Manager	10.10.89 8.11.89	South Korea Japan	To advance and finalise arrangements for trial shipment of briquettes to Taiwan.	10 500.0

STATE ELECTRICITY COMMISSION OF VICTORIA

Overseas Visits 1990–91 (July to Date)

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
A. Howie	Senior Consultant	Japan	Expenses details not yet advised	Attendance at the 3rd International Symposium on Human Factors in Organisational Design and Management.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
I. Wright	Design & Projects Engineer	Malaysia Philippines	Expenses details not yet advised	* To win consultancy and project work.
I. Wright	Design & Projects Engineer	Malaysia Philippines	Expenses details not yet advised	* To visit the Public Utilities Board to support Olex/ SECV for the supply and installation of power cables auxilliary cables and accessories.
I. Wright	Design & Projects Engineer	Singapore Indonesia Malaysia	Expenses details not yet advised	Attendance at the CEPSI Conference in Singapore. Visit to electricity authorities in Indonesia and Malaysia.
J. Horgan	Secretary	UK USA Bermuda	Expenses details not yet advised	Negotiations and marketing for liability insurance program for liability program renewal. Presentation of submissions to underwriters, brokers and potential underwriters.
R. Touzel	Manager, Consulting Services	Indonesia	Expenses details not yet advised	* Negotiations with PTBA on new PTBA-SEC Technical Services Agreement. Presentation of paper to Energy III Conference in Palembang.
R. Touzel	Manager, Consulting Services	Indonesia Singapore Malaysia	Expenses details not yet advised	* Contract discussion with PTBA in Indonesia. Attendance at CEPSI Conference in Singapore. Visit to Malaysia to follow up SEC prospects in relation to recent tenders.
T. Johnson	Manager, Strategic Research	UK France	Expenses details not yet advised	Attendance at the International Energy Agency Implementing on Coal Combustion Sciences Executive Committee Meeting in England and the 23rd International Symposium on Combustion in France.
H. Gunn	Manager, Applications and Planning	New Zealand	Expenses details not yet advised	Attendance at meetings of the Australasian Share/ Guide Organisation.
V. Ostromecki	Senior Analyst	New Zealand	Expenses details not yet advised	Attendance at meetings of the Australasian Share/ Guide Organisation.
W. Greenland	Tests and Approvals Engineer	USA	Expenses details not yet advised	Visit utilities involved in "premium supply programs".
M. Garner	Line Design Engineer	New Zealand	Expenses details not yet advised	Attendance at Electricity Supply Association of NZ aerial bundled cable workshop and visits to electricity authorities.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
J. Sebire	Special Projects	New Zealand	Expenses details not yet advised	Attendance at Electricity Supply Association of NZ aerial bundled cable workshop and visits to electricity authorities.
L. Lawrence	Electrical Shop Supervisor	Indonesia	Expenses details not yet advised	* SEC consultancy activity for PTBA in South Sumatra.
P. Wallace	Strategic Planning and Liaison Engineer	England France	Expenses details not yet advised	Attendance at the 1990 CIGRE International Meeting in Paris. Talks with National Grid Company on integration with universities and privatisation. Discussions with Norweb regarding load forecasting and the universities of London and Manchester on teaching electrical power in universities.
B. Clinch	Manager, Corporate Employee Relations	USA	Expenses details not yet advised	To discuss trends and developments in relation to labour flexibility, supervisory roles, flatter organisation structures and other matters relevant to the further development of the structural efficiency principle in the SEC.
P. Smyth	Assistant to the General Plant Engineer	Canada	Expenses details not yet advised	Technical training with Manitoba Hydro.
F. Martin	General Manager Design and Construction	France Germany Hong Kong	Expenses details not yet advised	Attendance at the "Environment Protection—A Global Business Challenge" meeting in Strasbourg. Visit to Lurgi in Frankfurt for discussions on new technologies in power generation.
F. Martin	General Manager, Design and Construction	Japan	Expenses details not yet advised	Visit to Japan Electric Power Information Centre.
A. Spicer	Communications Engineer	France England Finland	Expenses details not yet advised	Attendance at the 1990 CIGRE International Meeting in Paris and meeting of Study Committee 34. Visit the communications equipment manufacturer, Nokia and the Power Utility Imatran Voima in Finland to examine techniques and equipment for monitoring and management of power utility communications.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
A. Wilson	Chief Engineer, Power Grid Development	France Canada	Expenses details not yet advised	Attendance at the 1990 CIGRE International Meeting in Paris.
G. Bates	Chief General Manager	France Germany Sweden	Expenses details not yet advised	Attendance at the 1990 CIGRE International Meeting in Paris and Post CIGRE Meeting in Berlin and discussions with plant and equipment suppliers.
R. Colson	Projects Engineer	England Ireland	Expenses details not yet advised	To assist in the establishment of sequential Waveform Distortion field trials associated with remote meter reading.
J. Tink	Design Engineer	Germany Austria Hong Kong Singapore	Expenses details not yet advised	Discussions in Singapore with Public Utility Board regarding their Siemans contract and system. Inspecting Hong Kong–China Power and Light system operations training simulator facilities. Resolving the Siemans energy management system contract design details in West Germany and Austria.
F. Wu	Assistant to Design Engineer	Germany Austria Hong Kong Singapore	Expenses details not yet advised	Discussions in Singapore with Public Utility Board regarding their Siemans contract and system. Inspecting Hong Kong–China Power and Light system operations training simulator facilities. Resolving the Siemans energy management system contract design details in West Germany and Austria.
W. Mika	Engineer	Canada	Expenses details not yet advised	Technical exchange with Ontario Hydro. Presentation of technical paper at Congress on Finite Element Methods, Banff, Alberta.
C. Guin	Superintendent, Newport Power Station	USA	Expenses details not yet advised	Attendance at the Electrical Power Research Institute (EPRI) Conference on condenser technology
J. Hutchinson	General Manager, Production	Germany England Singapore Hong Kong	Expenses details not yet advised	Discussions on Greenhouse effect initiatives, power plant efficency initiatives, transfer pricing experience, organisational change experience, privatisation and the approach in England. Attendance at VGB Conference in Germany. Visit China Light and Power in Hong Kong and Jurong Gas Turbine Plant in Singapore.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
G. Freshwater	Manager, Mine	USA Canada	Expenses details not yet advised	To visit open cut mines and also review production improvement programs related to mining operations.
R. McConchie	Civil Engineer	Malaysia	Expenses details not yet advised	Attendance at the Small Hydro 1990 Conference in Kuala Lumpur.
J. Smith	Chairman	Japan Hong Kong	Expenses details not yet advised	Visit the Japanese financial institutions in Tokyo with whom SEC has relationships. Attend the 1990 Business Week East Asia Symposium for Chief Executives in Hong Kong.
J. Smith	Chairman	Singapore	Expenses details not yet advised	Attendance at the Conference of the Electricity Production and Supply Industry 1990 (CEPSI).
G. Dowers	Gas Turbine Officer	Singapore	Expenses details not yet advised	Attendance at two workshops on gas turbine operation and maintenance.
T. Johnson	Manager, Strategic Research	UK Sweden Germany Japan	Expenses details not yet advised	To hold discussions with gas turbine manufacturers, designers and research operators of "advanced coal-based" plant that incorporate gas turbines, and research establishment concerned with gas turbine erosion and corrosion.
R. Coldham	Research Engineer	UK Sweden Germany Japan Netherlands	Expenses details not yet advised	To hold discussions with gas turbine manufacturers, designers and research operators of "advanced coal-based" plant that incorporte gas turbines, and research establishment concerned with gas turbine erosion and corrosion.
J. Carlisle	Principal Advisor, Human Resource Strategy	Singapore	Expenses details not yet advised	Attendance at the CEPSI 1990.
I. Grubb	Chief Engineer, System Control	England Holland Sweden USA	Expenses details not yet advised	To discuss and examine transfer pricing models used overseas, utilisize and compare advantage/ disadvantages with proposed SEC model.
A. Freer	Director, Finance and Administration	England Holland Sweden USA	Expenses details not yet advised	To discuss and examine transfer pricing models used overseas, utilisize and compare advantages/ disadvantages with proposed SEC model.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
D. Huynh	Research Engineer	USA	Expenses details not yet advised	Attendance at the Ninth Annual EPRI Conference on Gasification Power Plants in Palo Alto, California.
G. Grinton	Principal Analyst	USA	Expenses details not yet advised	Attendance at meeting of the Amdahl User Group Technical Committee.
G. Zielinski	Manager, Corporate Finance	UK Netherlands	Expenses details not yet advised	To meet with Dutch investors to market the SEC as a borrower generally and specifically to promote the proposed A$ zero coupon issue. Investor visit in the United Kingdom.
D. Scott	Commissioner	Switzerland USA	Expenses details not yet advised	Attendance at UN Conference in Geneva, "2nd World Climate Conference and Related Greenhouse Issues". Also visit to United Nations Environment Program in New York to discuss matters relating to climate change and environmental monitoring.
H. Schaap	Manager, Environment	Switzerland Germany England	Expenses details not yet advised	Attendance at UN Conference in Geneva, "2nd World Climate Conference and Related Greenhouse Issues". Also visit to instrumentalities in Germany and England.
J. Anderson	Manager, Pricing Development	Singapore	Expenses details not yet advised	Attendance at the CEPSI 1990.
P. Davidson	Senior Value Consultant	Indonesia	Expenses details not yet advised	* Discussions with PTBA and other parties in relation to prospective consultancy assignments for management training and personnel selection.
K. Griffith	Design & Development Engineer	Singapore Korea	Expenses details not yet advised	Attendance at the CEPSI in visit to electrical instrumentalities in Seoul and Tokyo.

* Revenue earning trips

STATE ELECTRICITY COMMISSION OF VICTORIA
Overseas Visits July 1989–June 1990

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
J. Horgan	Secretary	UK Bermuda USA	$15 563	Presentation of bushfire insurance renewal proposals. Renewal negotiations for the liability program.
S. Jones	Manager, Corporate Human Resource Initiatives	UK West Germany Sweden	$18 693	Investigate and develop key methodologies associated with implementing skills development and training solution arising out of award restructuring process.
C. Dixon	Mechanical Engineer	West Germany	$14 868 (estimate)	To visit Rheinbraun concerning contract with them and to operationally check out dredger 27.
G. Bates	Then Deputy Chief General Manager	USA Germany Sweden	$11 115	Interviews for senior management positions. Visit manufacturers for general discussions regarding power stations.
G. Smith	Vulcanizer	Indonesia	Externally funded	* Act as a supervisor to commission PTBA's (the Indonesian mining company) vulcanising equipment.
J. Williams	Technical Training Officer	Indonesia	Externally funded	* Perform fitting and machining trades skill test and assist in personnel training.
M. Boyd	High Voltage Switchgear Engineer	Japan	$6 432	Visit Hitachi's Kokuba works where gas insulated switchgear is manufactured.
M. Norton	Principal Consultant, Recruitment	New Zealand	$4 406	Graduate engineer recruitment.
W. Greenland	Tests & Approvals Engineer	New Zealand	$3 673	Graduate engineer recruitment.
J. Smith	Then Chief General Manager	Canada	$7 343	Attendance at the World Energy Conference.
J. Smith	Then Chief General Manager	Japan Korea	$1 637 Balance externally funded	To hold business meetings in Korea regarding the sale of char. Attendance at the Japan Power Companies' Annual Conference.
P. James	General Manager Customer Services	Canada USA	$9 230	Attendance at the World Energy Conference. Visit electricity authorities in USA.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
G. Benson	Workshop Manager	Japan USA Canada	$10 633	Gain knowledge and skills in total quality management with emphasis on implementation strategies.
M. Dolan	Solicitor	USA	$19 525	Discussions with US lawyers and expert witnesses regarding a court case in Australia.
J. Herbert	Principal Design Engineer	Japan Hong Kong	$9761 (estimate)	Contract formation negotiations with Toshiba on price and delivery for replacement of turbine blades for Yallourn W power station.
A. Humphreys	Power Station Manager	Japan Hong Kong	$6299 (estimate)	Contract formation negotiations with Toshiba on price and delivery for replacement of turbine blades for Yallourn W power station.
R. Thomas	Engineer	Indonesia	Externally funded	* To assess PTBA's transport workshop requirements.
R. Joynt	Head, Applied Science	Thailand Europe USA Canada	$12 684	To acquire up-to-date information on modelling methods being used by electricity authorities and attendance at the World Clean Air Congress in The Hague.
D. Lynam	Materials Management Information System (MMIS) Manager	USA Canada	$11 105	Attend a materials management information system users conference and visit Bell System Users.
D. Lynam	Materials Management Information System (MMIS) Manager	USA	$5559 (estimate)	To attend the American Software Users Group Conference and workshops.
W. Attard	Electrolysis Manager	Singapore	Externally funded	* Attendance at the 6th Asian Pacific Corrosion Control Conference and discussions with the Mass Transit Authority regarding a tender the SEC was submitting.
G. Grinton	Principal Analyst	USA	$2293 Balance externally funded	Attendance at meetings of the Amdahl User Group Technical Committee.
G. Grinton	Principal Analyst	USA UK West Germany	$3271 (estimate) Balance externally funded	To attend meeting of the Amdahl technical committee and inspection of computer equipment.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
R. Convey	Customer Information System (CIS) Manager	USA	$8 046	To obtain detailed information regarding the management and implementation of customer information system developments. Present a paper at CIS Users Conference.
C. Macaulay	Production Planning Engineer	New Zealand USA Europe	$15 962	To hold discussions on the development of, generation contracts and associated monitoring/ reporting systems, methods to measure capacity sharing agreements between interconnected power systems, and reliability assessment techniques to assist System Control Department's transmission and generation maintenance schedulers.
J. Herbert	Principal Design Engineer	USA Europe	$13 124 (estimate)	Assess low cost power station designs. Examine design, construction and operation of gas turbine and combined cycle power plant. Attend VGB (the German Steam electric power association) Conference.
A. Wilson	Chief Engineer Power Grid Development	Poland Japan	$11 728	Attendance at the Annual CIGRE Study Committee meeting in Warsaw and technical visit to Polish power developments. Visit Hokuriku Electric Power Co., for discussions on transmission, communications and control centre development.
A. Wilson	Chief Engineer Power Grid Development	Singapore Hong Kong	$1 503 Balance externally funded	Discussions with power authorities regarding possible joint venture projects with Olex Cables.
P. Wallace	Strategic Planning & Liason Engineer	Europe UK USA Canada	$3 650 Balance externally funded	Discussions with major utilities on their approach to stragegic planning of power grids and consultation with the public. Attendance at the meeting of CIGRE Study Committee 37 in Florence.
B. Anderson	Head, Coal Fired Turbine Project	USA	$8 625	To supervise and provide on the spot decisons in relation to the hydro-thermal drying and slurry combustion testing at the University of North Dakota as part of the strategic research program.
M. Hutchinson	Engineer	UK	$2 172 (estimate)	To investigate the implementation of the Central Electricity Generating Board (CEGB) data measurement systems.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
P. Backman	Senior Supervisor, Boilermaking	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
G. Goonan	Scientific Officer	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
N. Learmonth	Senior Supervisor, Machining	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
R. Populin	Supervisor, Building Construction	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
K. Bright	Foreman, Low Voltage Rewind	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
D. Wilson	Project Planning Engineer	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
P. Densley	Transport Maintenance Officer	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
L. Tepaa	Vulcanizer	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
I. Nethercote	Manager, Marketing and Service	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
P. Allford	Workshops Coordinator	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
K. Bright	Foreman Low Voltage Rewind	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
K. Gropel	Scientific Officer	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
J. Allison	Supervisor, Shift B	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
J. Laszczyk	Supervisor, Rolling Stock Fitters	Indonesia	Externally funded	*Visit associated with a contract with PTBA at Tanjung Enim, South Sumatra, to manage the development of new workshop facilities.
I. Derham	Manager, Decision Support Systems	Japan USA	$14 260	To maintain and further develop our business advantage through expert systems, both strategically and financially.
S. Thompson	Manager Securities Investments	USA	$6 203	To attend the Collins Associates Annual Conference in California and conduct business interviews in New York.
G. Hocking	Manager, Production Yallourn	Japan USA Canada	$21 262	To visit alternative technical support companies and power authorities in USA and Japan. A member of a business delegation to Hokuriku Electric Power Co., Japan.
F. Martin	General Manager, Design and Construction	Japan USA Thailand UK W Germany	$13 132 (estimate)	Leading business delegation to Hokuriku Electric Power Co., Japan. Attendance at the CIGRE Conference in Thailand. Discussed business developments in Turkey and established contact with major suppliers of plant and equipment directly related to major project performance in USA, UK, Japan and Germany.
R. McConchie	Civil Engineer	Brunei	$3 896	*To attend post-tender discussions with Government of Brunei officials, with regard to the SEC tender for Lumut–New Gadong 275 kV transmission line project.
G. Shields	Transmission Projects Engineer	Brunei	$3 621	*To attend post-tender discussions with Government of Brunei officials, with regard to the SEC tender for Lumut–New Gadong 275 kV transmission line project.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
W. Curry	Electrical Approvals Board Chairman	New Zealand	$1 331	To attend meeting of the Regulating Approval Authorities Committee Working Group and a meeting of the Standards Australia Committee E/L/2.
W. Curry	Electrical Approvals Board Chairman	W Germany	Externally funded	Attendance at the International Electro-technical Committee (IEC) TC 61 "Safety of household and similar electrical appliances" in Nuremburg. Also, the IEC sub-committee SLGIH "Safety of electrically operated farm appliances" in Frankfurt.
B. McRae	Electrical Plant Systems Engineer	W Germany Switzerland	$8 609 (estimate)	To witness high voltage switchgear tests for Loy Yang B.
I. Arnott	System Performance and Control Engineer	Thailand	$3 714	Attendance at the CIGRE symposium "Operation of Electric Power Systems In Developing Countries".
D. Jackson	Engineer-in-training	Thailand	$2 398	Attendance at the CIGRE symposium "Operation of Electric Power Systems In Developing Countries".
P. Laird	Engineer Mine Technology	W Germany	$26 900	To visit Krupp's offices and review design drawings for dredger 27 design program.
R. Touzel	Manager Consulting Services	China	Externally funded	*SEC delegation to Chinese Ministry of Energy to formalise agreement for a feasibility study of a major new brown coal development at Zhaotong in Yunnan province.
R. Touzel	Manager Consulting Services	Indonesia Thailand	$3 400 (estimate) Balance externally funded	*Visit PTBA at Tanjung Enim for discussions with SEC personnel. Attend the Electricity Generating Authority, Thailand, presentation of Mae Coal test results. Discussions on upgrade of Bang Pakong simulator.
F. Blatt	Project Manager Zhaotong	Indonesia Thailand	$3 400 (estimate) Balance externally funded	*Visit PTBA at Tanjung Enim for discussions with SEC personnel. Attend the Electricity Generating Authority, Thailand, presentation of Mae Coal test results. Discussions on upgrade of Bang Pakong simulator.
I. Honey	Manager, Corporate Transport	Japan	$4 683	To participate in business delegation to the Hokuriku Electric Power Co., Toyama, Japan.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
J. Shrives	Manager, Market Intermediaries	Japan	$7 452	To participate in business delegation to the Hokuriku Electric Power Co., Toyama, Japan.
R. Llewelyn	Manager, Research and Development	Canada	Externally funded	Attendance at the Internal Energy Agency meeting.
R. Hutchings	Manager, Production, Morwell	USA UK	$13 717 (estimate)	Attendance at Gen-upgrade '90 International Symposium in Washington. Address improved performance of older coal-fired power stations in the UK and USA.
A. Whitaker	Power Station Manager	Japan	$5 088	To attend the design progress meeting and resolve any design problems for the Loy Yang B generator electrics.
A. Staskowski	Generator Design Engineer	Japan	$4 760	To attend the design progress meeting and resolve any design problems for the Loy Yang B generator electrics.
A. Staskowski	Generator Design Engineer	Japan	$5 360	Visit Loy Yang B Project turbo-generator's Omika Works, Hitachi City, to witness the testing of generator electrics.
A. Hertaeg	Condensing and Feedheating Design Engineer	Japan	$4 929	To undertake SECV involvement in the functional checkout and in works testing of the Loy Yang B turbine control equipment.
J. Hart	Executive Support Officer	W Germany Sweden	$9 490	To attend VGB Conference "Power Plant Engineering 2000—Conservation of Resources and CO_2 Control".
I. Wright	Design and Projects Engineer	USA	$7 345	Assessment of a tender for the Brunswick to Richmond cable project.
P. Wilk	Group Leader, Metallurgy	New Zealand	$2 458 (estimate)	To attend the 6th Asian Pacific Conference.
A. Mostafa	Principal Quality Officer	USA Europe Japan	$12 776	To conduct an audit of Bureau Veritas who have been awarded a contract for quality assurance services for Loy Yang B.
D. Ballard	Chief Engineer, Mine Technology	Indonesia	$5 150	To attend the ASEAN Federation of Mining Associations 2nd Asia/Pacific Mining Conference.
R. McGregor	Manager, Value and Quality	USA	$16 595	To gain further knowledge and insights into the application of total quality management by participating in an international study tour organised by Enterprise Australia.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
L. Peterson	Program Manager, Demand Management	USA	$7 800	To select consultants for demand management projects and to develop programs for the Demand Management Action Plan.
H. Schaap	Manager, Environment	New Zealand	$2 825	Attendance at the 10th International Conference of the Clean Air Society of Australia and New Zealand.
D. Robson	System Control Design Engineer	USA W Germany	$25 751	Experience and study award to look at expert systems.
N. Gascoigne	Extra High Voltage Switchgear Project Engineer	USA W Germany Switzerland	$22 000 (estimate)	Attendance at the 57th Annual International Conference of Doble Clients in Boston. Visits to manufacturers in both West Germany and Switzerland.
N. Henderson	Manager, Office of Strategic Planning	USA	$10 193	Attend the Federal Energy Regulatory Commission's 10th Annual Conference. Visit to private generation proponents and provide input to the DIOEP-SEC Demand Management study.
B. Morley	Manager, Corporate Relations	USA Canada	$10 768 (estimate)	To study public relations aspects of electrical utilities overseas.
P. Austin	Transformer Engineer	USA Canada UK	$4 889 (estimate)	Design review for a generator transformer with both Canadian and Australian manufacturers. Discuss repair of Newport generator transformer in UK. Examine and discuss treatment equipment for removal of PCB from transformer oil in USA.
F. Blatt	Project Manager Zhaotong	China	Externally funded	*Zhaotong feasibility study.
L. Fusinato	Manager, Consultancy	China	Externally funded	*Zhaotong feasibility study.
J. Bell	Senior Boiler Design Engineer	China	Externally funded	*Zhaotong feasibility study.
K. Leung	Engineer	China	Externally funded	*Zhaotong feasibility study.
K. Gray	Generation and Transmission Engineer	New Zealand	$3 340 (estimate)	To attend Hydro Generator Governor Seminar and look at a refurbished hydro power station.
J. Facey	Manager, Energy Services	New Zealand	$2 605	To attend the South Pacific Electrical Convention 11 to present a paper on the competitive marketing of new dimension electric.

Name of Officer	*Position Held*	*Countries Visited*	*Total Cost of Visit*	*Purpose of Visit*
A. Freer	Director, Finance and Administration	Hong Kong	$6 721	To study funds management practices.
P. van Ryn	Manager, Dealing	Hong Kong	$4 650	To study funds management practices.
G. Zielinski	Manager, Corporate Finance	Hong Kong	$4 000 (estimate)	To study funds management practices.
K. Marshman	Treasurer	USA Canada	$11 705 (estimate)	Visit electricity utilities and utility brokers.
I. Macdonald	Director, Human Resources	USA UK Canada	$13 963 (estimate)	To visit a range of public and private organisations to investigate issues in relation to structural efficiency and human resources management.
S. Breheny	Controller, Accounting	UK USA Netherlands	$14 000	To look at accounting systems.

* Revenue earning trips

GAS AND FUEL CORPORATION OF VICTORIA

Officers of the Gas and Fuel Corporation who undertook overseas trips during the years 1989–90 and 1990–91 to date as follows:

Position Held	*Purpose of Visit*	*Countries Visited*	*Amount Paid ($)*
Senior Research and Development Engineer	Deliver paper, attend workshop and visit other Utilities	U.S.A., Canada	11 000*
Manager, Scientific Services	Study tour, and to attend Gas Research Conference	U.S.A., Japan	15 500
Gas Measurement Engineer	Study tour in gas measurement	U.S.A., Canada, U.K. and Europe.	12 150
Meter Shop Engineer	Study tour in gas measurement	U.S.A., Canada, U.K. and Europe.	12 150

* Less $3470 recovered from Australian Gas Association

Position Held	*Purpose of Visit*	*Countries Visited*	*Amount Paid ($)*
General Manager	Attend Steering Committee Meeting re Regional Gas Association	Hong Kong	4 900
	Attend the GASEX 90 Conference and R and D Forum	Japan	6 500
Manager, Domestic Sales	Study Tour on Developments in Energy Showrooms	U.K. and Europe	12 900
Group Manager, Marketing	Attend Sesqui-Centennial Conference at Gas Association of New Zealand	New Zealand	2 150
	Attend Colloquium and meeting of the I.G.E.	U.K. and Europe	11 700†
Manager, Computer and Information Services	Attend a Convention of Unisys/Users; ascertain developments and program testing methods	U.S.A.	12 930
Manager, Customer Relations	Attend National Meter Reading Conference and visit other Utilities	U.S.A.	18 280
Long Range Planning Engineer	Attend Leak Detection and Modelling of Pipelines Seminar	New Zealand	1 630
Assistant Manager, Service Department	Attend AMRA Symposium and visit various installations at Gas Utilities	U.S.A., Canada	17 800
Communications and Electronics Engineer	Attend Symposium on remote meter reading and visit various installations at Gas Utilities	U.S.A., Canada	13 600
Manager, Natural Gas Supply	Attend IGU Symposium, and Study Tour to include a review of current gas operating practices	U.S.A., Canada and Europe	14 000
Manager, GAFCOR NGV	Attend the 2nd International NGV Congress	Argentine and Brazil	6 500
Divisional Scientist	Attend R and D Forum and present paper	Japan	4 800
Corrosion Mitigation Officer	Attend the Annual Conference of the Australian Corrosion Association	New Zealand	2 000

† Less $4250 recovered from Australian Gas Association

19 November 1990

Friday, 30 November 1990

The PRESIDENT (Hon. A. J. Hunt) took the chair at 10.32 a.m. and read the prayer.

SALE OF STATE BANK

The PRESIDENT—Order! Yesterday evening I received from the Honourable Rod Mackenzie a letter proposing an urgency debate on the constitutional validity of the sale of State Bank Victoria to the Commonwealth Bank. He believed such a motion should precede any discussion of the legislation dealing with the sale itself.

I am bound to report to the House my decision upon such a motion and I can best do so by reading the letter I have had delivered to Mr Mackenzie and party Leaders this morning. The letter states:

> I acknowledge your letter of last evening proposing an investigation of the constitutional and legal validity of the sale of the State Bank of Victoria to the Commonwealth Bank as a matter of urgency, and before legislation to confirm the sale proceeds.
>
> I am satisfied that you have proposed discussion of "a definite matter of urgent public importance", and that the issue which you raise concerning the effect of section 51 (xiii) of the Commonwealth Constitution is a genuine one.
>
> However, before permitting an urgency motion under Standing Order No. 68A, I am bound to consider, amongst other matters, "whether there is a distinct probability of the matter being brought before the House in reasonable time by other means".
>
> The Bill in relation to the sale is in fact scheduled for debate in the House today and will provide ample opportunity for discussion of any issue which could be raised on the urgency motion you propose.
>
> Accordingly, there is no warrant for invoking the urgency procedure and I must decline permission for your proposed motion to proceed to separate debate.

QUESTIONS WITHOUT NOTICE

PORT MELBOURNE BAYSIDE DEVELOPMENT

Hon. M. A. BIRRELL (East Yarra)—I direct the attention of the Minister for Major Projects to the Port Melbourne Bayside Development and I ask: is it correct that the government is prepared to lease Station Pier and the Bayside marina site for a rent of just $1 per year on a 50-year lease? If it is correct, why has this arrangement not been announced publicly?

Hon. D. R. WHITE (Minister for Major Projects)—The government is prepared to enter into a lease arrangement with Sandridge City Development Co. Pty Ltd which would enable Sandridge to be responsible for the development of Station Pier at a very low rental as part of bringing the Sandridge development to fruition.

The government believes Station Pier is significantly under-utilised but would continue to have a berth for Tasman Shipping Line and other shipping lines that might be interested, and that Sandridge would do more to bring Station Pier back into prominence than any other arrangement that is available. The government also indicates that as a means of encouraging that development, to commence in approximately April next year, the construction of 700 homes in Port Melbourne, including a canal system, would be a significant rejuvenation of inner suburban Port Melbourne.

It is worth pointing out that, because of the existing infrastructure in terms of water, sewerage, schools and roads which are under-utilised—it is an area with a declining population—for every house built in Port Melbourne savings of $30 000 are possible, compared with development in the outer suburban area; so it is a very efficient approach to providing housing. The government welcomes people moving into outer suburban areas such as Berwick and Pakenham, where there is and will continue to be a significant increase in population in that corridor of 60 000 between 1988 and 1992, but the pressure on the State and Federal governments for the provision of infrastructure in that area is enormous. It is fitting and appropriate that some importance be given to a development such as Sandridge because of the cost savings to the State government in enhancing inner suburban development.

It is hoped that when the Sandridge project gets off the ground next year it will be an indication and encouragement to other investors and developers. I am more than happy for the details of that development to continue to be made public.

TRICONTINENTAL ROYAL COMMISSION

Hon. R. M. HALLAM (Western)—I direct my question to the Minister for Industry and Economic Planning, as the Leader of the Government, and I again refer him to the Tricontinental Royal Commission and my repeated attempts to have the government extend the terms of reference to include the circumstances under which State Bank Victoria and thus the taxpayers of the State acquired the total liability of Tricontinental. Given the Minister's commitment to the House on 29 August in respect of such requests, can he now explain why the government has refused to ensure that this key issue is considered by the Royal Commission?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The matter raised by Mr Hallam has been referred to the Attorney-General, who has been considering that issue. I indicated that a written response would be provided to Mr Hallam, and that will occur.

KODAK (AUSTRALASIA) PTY LTD

Hon. T. C. THEOPHANOUS (Jika Jika)—I also direct my question to the Leader of the House in his capacity as the Minister for Industry and Economic Planning. Last year the Minister announced a grant of $6.45 million over three years to Kodak (Australasia) Pty Ltd to ensure the continued viability of an important Victorian industry. Will the Minister now advise the House of the recent performance of that company?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The government accepts that, in providing a grant of $6.5 million over three years to Kodak (Australasia) Pty Ltd at a time when it was experiencing extreme difficulties which threatened some 500 jobs, there was controversy about the issue. The government put stringent conditions on the provision of that grant relating to Kodak becoming more efficient and more export orientated. The conditions were that Kodak increase by an agreed amount the level of exports in return for the funding commitment. Kodak set targets to become within a specified time the second lowest cost producer of Kodacolour film among the ten Eastman Kodak world plants. I am pleased to inform the House that in 1990 that target was achieved and Kodak Australasia is now to become the lowest cost producer of the ten Eastman Kodak world plants.

As a result of that, by Kodak's standards anywhere in the world the plant at Coburg is efficient and cost-effective. The sales from the consumer market, the government

sector and exports are markedly higher than last year. Kodak is confident of exceeding employment, investment and sales targets for 1990 as set out in the conditions of the grant, and it has achieved pleasing results so far.

Kodak has made significant progress in industrial relations management. Its manufacturing division has reduced the number of awards from thirteen to one and the number of unions from twelve to four. Sales and earnings performance for 1990 are good and export sales are well on the way to exceeding the target growth of $20 million a year.

As a result of the State and Federal governments' commitment to Kodak the plant at Coburg has been retained. Export growth has occurred and a significant boost has been given to the Australian economy. If the grant had not been made the technology woud have been lost to this country and probably transferred to Brazil, Indonesia or some other part of the Pacific Basin. The State government is pleased its commitment to Kodak is quickly bearing significant returns and is preserving the employment prospects of the people working for Kodak in a most efficient export-orientated manner.

STATION PIER

Hon. K. M. SMITH (South Eastern)—Further to the answer previously given by the Minister for Major Projects on the Bayside development and the maintenance of Station Pier, is it correct that the Port of Melbourne Authority will still be responsible for the maintenance of the pier for the next 50 years at an estimated cost of approximately $30 million in today's costs?

Hon. D. R. WHITE (Minister for Major Projects)—As I indicated to the House in response to a previous question asked at another time, negotiations between the Port of Melbourne Authority, the Sandridge City Development Co. Pty Ltd and officers from the Major Projects Unit about maintenance costs are still continuing. When those matters are resolved I look forward to informing the House and the honourable member.

WORLD AIDS DAY

Hon. W. R. BAXTER (North Eastern)—In view of the fact that tomorrow is World AIDS Day I express my regret that the Parliamentary liaison group on AIDS, chaired by the Minister for Health, has not met since 10 May this year. In view of the importance of disseminating factual information about this potentially devastating epidemic, will the Minister for Health reconvene the group early in the next session?

Hon. C. J. HOGG (Minister for Health)—I thank the honourable member for raising the matter. It has been a busy session; I certainly intended to convene a meeting at some time during the session. I give a commitment that the group will reconvene whenever Mrs Tehan and I can find a suitable date, probably at the end of January or February. However, at the last meeting we spoke about having an educational forum or a half-day session during the recess or early in the session. Most members felt it was terribly difficult in terms of their current and everyday commitments to put aside that kind of time, and it was thought things were going fairly well anyway.

I have been relaxed about not organising a meeting, but certainly I will do so at the beginning of the year. You have that commitment absolutely, and I shall chat to Mrs Tehan about it.

HIGHER EDUCATION FUNDING

Hon. HADDON STOREY (East Yarra)—I refer the Minister for Education to the paper by the Victorian Post-Secondary Education Commission dealing with higher education funding which was made public earlier this week. In the paper VPSEC said it believed the Commonwealth funding proposals would reduce the possibility of further amalgamations in Victoria. I ask the Minister what action he has taken to ensure the Commonwealth funding proposals are modified so as not to have that effect?

Hon. B. T. PULLEN (Minister for Education)—This is a serious issue and I am taking it up. I believe the Commonwealth has overreacted to the situation in terms of holding back funds in relation to Victoria. As Mr Storey knows, progress in relation to amalgamations in Victoria has been slow and I have had discussions about that with the institutions and the vice-chancellors, and I believe the approach I am taking is supported by the vice-chancellors.

I have already taken up with the Commonwealth government the issue of its action. It is particularly inappropriate for Monash and Melbourne universities, which are not involved in amalgamations at the moment, to be penalised by the withholding of funds because of slowness through no fault of their own or the manner in which they deal with it. I shall be taking up this issue with the Federal Ministers at the education conference next week and I have written in those terms to Mr Baldwin, the Federal Minister for Higher Education and Employment Services. I shall be pursuing it in every way to ensure——

Hon. Haddon Storey interjected.

Hon. B. T. PULLEN—It is for 1993. As a result of representations and progress that I believe will be made in relation to amalgamations, Victoria should not be disadvantaged.

MERBEIN PRIMARY SCHOOL

Hon. K. I. M. WRIGHT (North Western)—I refer the Minister for Education to an unfortunate mistake by the Ministry of Education. The Minister will recall that during the adjournment debate recently I requested the Minister to intervene to retain two classrooms scheduled for removal from Merbein Primary School. This week the local newspaper, the *Sunraysia Daily*, published a letter from a pupil saying the Minister had agreed to leave the classrooms there. Next day it was revealed that this advice was a mistake. In fact, the good news was for Merbein West Primary School. Will the Minister show some compassion and make a similar order on behalf of Merbein Primary School?

Hon. B. T. PULLEN (Minister for Education)—The situation is that a mistake was made in the regional office in that on receiving a letter from a student from Merbein Primary School the office responded in a positive manner, believing the matter related to Merbein West Primary School. Apparently the Merbein Primary School——

Hon. M. A. Birrell interjected.

Hon. B. T. PULLEN—Some of your colleagues are not interested in the situation in country schools, Mr Wright. It is important that the situation be dealt with properly. Merbein Primary School has twelve classrooms, but with a falling population it is

entitled to only ten. The Echuca Primary School has a genuine shortage of at least two classrooms.

It is unfortunate that this mistake occurred, and I suppose it would be possible for us to let the matter lie there. The letter was written in my name by the regional office. That would be a gesture, but it would not be an appropriate allocation of resources, and the children who would suffer would be the children at the Echuca school to where the intended relocations were to go.

I shall inform Merbein Primary School of the mistake and of the reasons why the allocation has to go where it is needed, away from their school. I shall write personally to the student who wrote the excellent letter. The student was doing the right thing for his school. However, it would be inappropriate for me to make a gesture which would have the effect of penalising the school in Echuca, which has a genuine need for two classrooms because of a rising school population. That is the action that will be taken.

SUNDAY TRADING

Hon. D. E. HENSHAW (Geelong)—Further to the initiative of the Minister for Consumer Affairs in introducing four days of Sunday trading before Christmas in Melbourne and the Geelong area, can the Minister inform the House what response there has been in other areas in Victoria?

Hon. B. W. MIER (Minister for Consumer Affairs)—I believe trading on the four Sundays before Christmas will prove to be popular with shoppers and traders. I am also pleased that the red meat Bill has passed through both Houses of Parliament so that butcher shops will have the ability to trade on Saturday afternoons and the meat sections in supermarkets will also be able to be open. They will also be able to open on the four Sundays leading up to Christmas in the Melbourne and metropolitan area, the Geelong area and in other areas where municipalities have applied for Sunday trading.

I have been encouraged by the fact that there have been marvellous responses from country towns and cities, boroughs and shires across the State. I am pleased with the mature attitude about trading on the four Sundays leading up to Christmas. I also congratulate the staff of my Ministry for the speed with which they have processed the applications.

I have received 28 applications in total to date from varied municipalities, including one from the Shire of Mildura. Most honourable members would be aware that the City of Mildura is classified as a tourist precinct and already has the right to trade on Sundays. However, it has made application for the town of Merbein to trade on Sunday, 23 December. I have no doubt that Mr Wright will be pleased about that and that Mr Hall will be pleased that permission has been granted for shops in Traralgon to trade on the four Sundays.

An extension of shopping hours on Saturdays only has been granted in many places across the State, including the cities of Warrnambool and Horsham and the shires of Rodney and Shepparton. It has also been particularly pleasing that there has been a response from areas such as Bairnsdale, Seymour and Hamilton. They have applied to trade on both Saturdays and Sundays in the lead-up to Christmas.

As Mr Henshaw can see, there has been a magnificent response to the government's initiative and I have no doubt between now and Christmas there will be further applications.

SCHOOL COUNCIL RESPONSIBILITIES

Hon. G. B. ASHMAN (Boronia)—Will the Minister for Education confirm the fact that in 1991 school councils will be responsible for the payment of Melbourne and Metropolitan Board of Works rates? If so, will he guarantee that school councils will be fully reimbursed for those charges?

Hon. B. T. PULLEN (Minister for Education)—There have been some proposals to devolve increased responsibilities to school councils and these issues have arisen previously. The proposals are under review and no action will be taken on them this year.

Hon. G. R. Craige—Not very long to go!

Hon. M. A. Birrell—It's coming in January!

Hon. B. T. PULLEN—No action in 1991, to be precise. I think the Board of Works rates would be caught in the same area, but I will check that and confirm it for Mr Ashman.

MUNICIPAL ELECTORAL TRIBUNALS

Hon. LICIA KOKOCINSKI (Melbourne West)—I direct my question to the Minister for Local Government. The Labor government has initiated and implemented many new procedures in Victoria to improve equity and justice. One of those procedures is the establishment of the municipal electoral tribunals formed under the new Local Government Act. Will the Minister inform the House of any recommendations arising from the recently held municipal electoral tribunals which dealt with matters arising out of the last round of council elections?

Hon. M. A. LYSTER (Minister for Local Government)—Earlier this week I had the pleasure of receiving the final report and recommendations of the first hearings of the municipal electoral tribunals under the Local Government Act. Mr Kevin Mason, SM, and local government appointee Mr Graeme Pearson have done a splendid job in the way they have conducted these tribunals. I am grateful and appreciative to them for the work they have done, together with officers of my department who have provided the backup.

In their report members of the tribunals have made significant recommendations about the process applied by municipal electoral tribunals in the conduct of their hearings. Some of the areas they have suggested could benefit from minor change include matters such as the number of days after elections when a person can request a tribunal hearing; the need for a preliminary review of a case that is made where extra material can be sought; the process of approval of how-to-vote cards; the importance of appointing a departmental officer to coordinate the material and proceedings, and one standing tribunal to be appointed on an annual basis.

I thank members of the tribunals for their recommendations which, by and large, I believe I will be able to accept and implement in time for the next round of local government elections. I have also instructed that letters be sent to all plaintiffs who put cases to the municipal electoral tribunals so that they are clear about the outcome of each tribunal and to ensure that there is a quick and finite resolution of the issues raised.

LOY YANG B POWER STATION

Hon. R. J. LONG (Gippsland)—I ask the Minister for Industry and Economic Planning whether it is a fact that he informed members of centre unity faction of his party that the government did intend to sell the Loy Yang B power station.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I have not received a proposal from the State Electricity Commission in respect of the sale of the Loy Yang B power station. I have not informed anyone, privately or publicly, that we have a proposal or that we have a government decision to sell Loy Yang B.

As I have pointed out to the House on more than one occasion the only party that can sell Loy Yang B is the major shareholder, which is the government of Victoria on behalf of the people of Victoria. No proposal to sell Loy Yang B has been received from the State Electricity Commission; and no proposal has been put to Cabinet. I have given no indication to any party, either privately or publicly, that I have such a proposal or that it is a government decision to sell Loy Yang B.

HEALTH PROGRAMS FOR MULTICULTURAL VICTORIANS

Hon. G. A. SGRO (Melbourne)—I understand the Minister for Health recently opened a multicultural nursing work force workshop entitled "Responding to Multicultural Victoria". I ask the Minister to inform the House of the steps the government is taking to ensure access, equity and participation in the health program for multicultural Victorians.

Hon. C. J. HOGG (Minister for Health)—Over the past ten years a number of steps have been taken in this area. There is a great deal of health material printed in languages other than English, for example. For a long time members of this government have believed we must tap into the resources that already exist within the community of people of non-English-speaking backgrounds. Nurses are a crucial point of focus in the health industry, and with the change of training for nurses from hospital-based training to college-based training there is an opportunity to look again at some of the issues surrounding recruitment and curriculum development.

With that in mind the Premier, who also has responsibility for ethnic affairs, and I established an advisory committee that comprises representatives of nursing organisations and ethnic communities to examine just those questions of identifying key issues in the recruitment of nurses of non-English-speaking backgrounds and examining some multicultural curriculum development issues.

Last Sunday I had the pleasure of opening the conference at International House. It was well attended by nurse educators, leading members of the ethnic community and other parties one would expect to attend. I look forward to hearing about the results of the conference. I believe it is a positive step forward, as do the members of the ethnic community who attended.

EDUCATION VOUCHER SYSTEM

Hon. B. E. DAVIDSON (Chelsea)—My question without any notice whatsoever is directed to the Minister for Education, and I ask him whether any consideration has been given by the Ministry to the adoption of an education voucher or credit system.

Hon. B. T. PULLEN (Minister for Education)—The answer to Mr Davidson is no, we are not considering the introduction of any voucher or credit system. From time to time there has been support for such schemes, mainly from free market economists, but the notion has been rejected by educationalists.

It was considered in Australia in the early 1970s, in both the State and Federal areas, and was rejected. The introduction of a voucher or credit system was considered in a recent review in New Zealand, and again rejected. Surprisingly it has been considered by the Thatcher, Reagan and Bush administrations, and also rejected; and the Catholic Education Office has also rejected the voucher system. The only people who support the system at the moment appear to be the shadow Minister for Education, Don Hayward, MLA, and the State Council of the Liberal Party. It is clear that——

Hon. M. A. BIRRELL (East Yarra)—On a point of order, Mr President, the Minister appears to have departed from giving an answer to the question and is now debating the issue. I ask you to ask him to address the issue.

The PRESIDENT—Order! The Minister answered the question in his first sentence. He is now beginning to debate the issue. The time for questions without notice has expired.

QUESTIONS ON NOTICE

Hon. B. A. CHAMBERLAIN (Western)—With regard to the Sessional Order on non-answered questions after 30 days, I gave notice to the Minister for Education in relation to question No. 740 and the Minister for Industry and Economic Planning in relation to question No. 741 that I would seek an explanation about why the questions have not been answered or, alternatively, if the answers are not available I seek an undertaking that the answers will be forwarded to me during the break rather than having to wait until March.

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—Question No. 741 was not asked of me directly. I think it was directed to the Minister for Tourism and I assure Mr Chamberlain that it will be answered during the break. On behalf of the Minister for Education, I give a similar undertaking in relation to question No. 740.

PETITION

Board of Works inspections

Hon. ROSEMARY VARTY (Nunawading) presented a petition from certain citizens of Victoria praying that the current level of Board of Works plumbing and drainage inspections be retained.

Laid on table.

MAJOR PROJECTS UNIT

Hon. D. R. WHITE (Minister for Industry and Economic Planning) presented report of Victorian government Major Projects Unit for 1989–90.

Laid on table.

Ordered to be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

AMRAD CORPORATION LTD

Hon. D. R. WHITE (Minister for Industry and Economic Planning) presented report of AMRAD Corporation Ltd for 1989–90.

Laid on table.

OVERSEAS PROJECTS CORPORATION OF VICTORIA LTD

Hon. D. R. WHITE (Minister for Industry and Economic Planning) presented report of Overseas Projects Corporation of Victoria Ltd for 1989–90.

Laid on table.

PORTLAND SMELTER AND ALUMINIUM SMELTERS OF VICTORIA

Hon. D. R. WHITE (Minister for Industry and Economic Planning) presented Portland Smelter Unit Trust financial statements for 1989–90 and Aluminium Smelters of Victoria Pty Ltd report for 1989–90.

Laid on table.

PAPERS

Laid on table by Clerk:

Adult Parole Board—Report for the year 1989–90.

Capital Works Authority—Report and financial statements for the year 1989–90.

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

Altona Planning Scheme—Amendment L10.

Ballaarat (City) Planning Scheme—Amendment L15.

Ballarat (Shire) Planning Scheme—Amendment L7.

Benalla (Shire) Planning Scheme—Amendment L2.

Berwick Planning Scheme—Amendment L31.

Bungaree Planning Scheme—Amendment L4.

Cranbourne Planning Scheme—Amendments L37 and L50.

Doncaster and Templestowe Planning Scheme—Amendment L32.

Eltham Planning Scheme—Amendment L8 Part 1.

Essendon Planning Scheme—Amendments R25 Parts 1 and 2.

Footscray Planning Scheme—Amendment L14.

Geelong Regional Planning Scheme—Amendment R40 Part 2.

Kilmore Planning Scheme—Amendment L30.

Marong Planning Scheme—Amendment L24.

Metropolitan Region Planning Schemes—Amendment R95.

Pakenham Planning Scheme—Amendment L40.

Sherbrooke (Shire) Planning Scheme—Amendment L19.

Warragul Planning Scheme—Amendment L16.

Werribee Planning Scheme—Amendment L20.

Water Act 1989—Minister's Order of 29 November 1990 to constitute a new Authority in place of the Broadford Water Board.

Ordered that reports tabled on motions of Hon. D. R. White and papers tabled by Clerk, except amendments to planning schemes and Minister's order, be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

DISALLOWANCE OF STATUTORY RULES

Conservation, Forests and Lands (Contracts) Regulations 1990

Hon. D. M. EVANS (North Eastern)—I move:

That the Conservation, Forests and Lands (Contracts) Regulations 1990 (SR No. 183/1990) be disallowed.

The motion carries forward the recommendations of the Legal and Constitutional Committee, which made this decision on the ground that the regulations contain matters that should properly have been dealt with by the Conservation, Forests and Lands Act 1987, and debated by Parliament, rather than being the subject of regulation. The regulations referred to allow the Director-General of the Department of Conservation and Environment to make contracts under section 19 of the Act. By virtue of the operation of that section the director-general may enter into contracts or agreements worth $50 000 or less, or an amount prescribed by regulation, and of three years duration or less, without the approval of the Minister.

The Conservation, Forests and Lands (Contracts) Regulations are intended to provide a tenfold increase in the amount the director-general can approve for the purposes of section 19 of the Act and are the first regulations to prescribe an amount for the purposes of that section. The effect of the regulations is to increase from a limit of $50 000 to a limit of $500 000 the value of the contracts the director-general may enter into without the approval of the Minister—a tenfold increase.

Pursuant to its statutory requirements the committee has been in contact with the Minister over an extended period on this issue. The Minister has advised the committee that many of the contracts entered into under these regulations are for mainly administrative matters and matters previously agreed to in principle by the Minister, such as land purchases. Further, the Minister has informed the committee that the amount of $500 000 was selected because in the Minister's view it corresponds with other expenditure authorisation regulations under the Treasury Regulations 1981, which are subject to the Audit Act 1958.

However, members of the committee interpret the means chosen to increase the power of the director-general to enter contracts without reference to the Minister as an erosion of the opportunity for Parliament to debate matters regarding the government and Ministerial power. As a consequence the Legal and Constitutional Committee, acting on the recommendation of the Subordinate Legislation Subcommittee, now recommends to Parliament that the regulations be disallowed.

I inform Parliament that, under the terms of the Conservation, Forests and Lands Act 1987, a disallowance to be effective will require that a similar motion be passed in another place.

Motion agreed to.

Ordered that message be sent to Assembly seeking concurrence.

Alpine Resorts (Leasing) (Amendment) Regulations 1990

Hon. D. M. EVANS (North Eastern)—I move:

That the Alpine Resorts (Leasing) (Amendment) Regulations 1990 (SR No. 104/1990) be disallowed.

This regulation was the subject of a report to Parliament recently by the Legal and Constitutional Committee. The Alpine Resorts (Leasing) (Amendment) Regulations deal with the power of the Alpine Resorts Commission to grant or renew leases in the Victorian alpine resorts.

Pursuant to this section the Governor in Council is empowered to grant or renew leases on land in alpine resorts. The Alpine Resorts Commission is empowered to grant or renew leases within prescribed limits. The effect of the Alpine Resorts (Leasing) (Amendment) Regulations 1990 is to increase substantially the prescribed values under which the commission can renew leases. It increases them as follows: for leases for business undertakings, to $25 million; for leases for ski lodges under section 28 of the Act, to $12.5 million; and for leases to a public authority, to $12.5 million.

The commission was unable to explain satisfactorily to the committee the necessity for increasing the prescribed values by such large amounts. Further, the committee was informed that there is currently only one proposal for a lease which falls outside the original limits set by the principal regulations in 1985.

The committee has been informed that disallowance of the Alpine Resorts (Leasing) (Amendment) Regulations would mean that the Governor in Council would be required to consider this proposal. It is a significant proposal involving a 99-year lease and improvements to be erected valued at approximately $25 million.

The committee members are of the view that the Alpine Resorts Act intends that major leases of public land such as the proposal in question be considered by the Governor in Council rather than by the Alpine Resorts Commission. The committee has taken the view that there is insufficient justification for extending the power of the commission to grant and renew leases to the extent provided by Statutory Rule No. 104 of 1990. This has led the committee to the view that the statutory rule makes unusual or unexpected use of the power conferred by the Alpine Resorts Act to prescribe the value of improvements to land in alpine resorts for the purposes of section 28 of the Act.

The Subordinate Legislation Act requires a statutory rule to be justified. It is under this section the committee has recommended to the Parliament that this regulation be disallowed.

As with the previous motion, the disallowance of this regulation will require the concurrence of both Houses of Parliament. I ask that the disallowance be carried this morning. I understand there is only one more day remaining for disallowance in another place.

Motion agreed to.

Ordered that message be sent to Assembly seeking concurrence.

STATE BANK (SUCCESSION OF COMMONWEALTH BANK) BILL

Second reading

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That this Bill be now read a second time.

In August of this year the Premier of Victoria and the Treasurer of Australia announced that the Victorian government had agreed to sell State Bank Victoria to the Commonwealth Bank of Australia. The agreement under which the sale is to be completed was signed by the Commonwealth Bank of Australia and Victoria on 8 November 1990.

The State Bank (Succession of Commonwealth Bank) Bill is intended to:

ratify the agreement entered into between the Commonwealth Bank and the State ;

provide for the Commonwealth Bank to become the successor in law to State Bank Victoria and for State Bank Victoria to be dissolved; and

make provision for the future support of the Tricontinental group, which is to be acquired by the government.

Before discussing the Bill I propose to address briefly the circumstances which have led to the sale of the State Bank and to deal with some of the arguments which have been put forward in support of the government retaining the bank.

The government's decision to sell the bank is attributable to the gross excesses of Tricontinental's lending and investment practices. As stated by the directors of the State Bank in its annual report, history has shown that the group's expansion in the 1984–89 period was badly marred by the aggressive and imprudently high-risk lending practices of the bank's merchant bank subsidiary, Tricontinental. Tricontinental's expansion took place in a period of rapid credit expansion and economic growth where the weaknesses of poorly disciplined lending, poor commercial judgment and deficiencies in credit administration were masked. It should also be appreciated that this expansion took place in a recently deregulated environment and at a time of rapidly increasing asset values, particularly in commercial property and shares.

As a result of the lending practices of Tricontinental, and to a lesser extent the State Bank itself, the government has had to provide a support agreement to the State Bank group with some $2.7 billion claimable. This would have cost the people of Victoria about $140 million in debt charges this financial year rising to around $400 million by 1993–94, as well as adding significantly to the debt of the State.

The strain this level of support would have placed on the Consolidated Fund, combined with the objectives of the government's debt management strategy to generally reduce the government's ongoing debt obligations, has made it necessary for the government to sell the bank.

The sale price for the bank was established by competitive tender in August. Although one of the private banks offered a higher price than that offered by the Commonwealth Bank of Australia, the Commonwealth Bank's offer when combined with the taxation compensation package offered by the Commonwealth Treasurer was more attractive and yielded total proceeds of more than $2 billion to the State. Also, one of the benefits to depositors of the bank in selling the bank to the Commonwealth Bank is the benefit those depositors will have of a Commonwealth government guarantee.

Professor Davis of the University of Melbourne argues that the sale of the State Bank cannot be justified. I disagree with the arguments put by Professor Davis. Professor Davis's claim is based on a model of the State Bank which purports to show that the State Bank can be retained and that the Tricontinental loans from the bank, which total some $2.3 billion, can be repaid before the end of financial year 1998–99. An examination of Professor Davis's model shows that this claim cannot be justified. The model contains a number of structural errors and uses unrealistic assumptions. After correcting these errors it is clear that the bank cannot be expected to generate sufficient revenue to enable the government to meet the interest commitments on the Tricontinental debt, let alone repay the debt as assumed by Professor Davis.

Professor Davis's claim that the true value of the bank is $5 billion is incorrect. Firstly, Professor Davis's assumptions are unrealistic and, secondly, the market has clearly established that it is not the case. For instance, he assumes profit levels which have rarely been approached and ignores the interest payments required under the support agreement.

The price offered by CBA compares very favourably on a net tangible asset basis with other acquisitions by Australian banks. The average of these transactions in recent years has been 1.6 times net tangible assets. The price offered by CBA represents 1.9 times net tangible assets.

Professor Davis does not address the broader issue of State debt about which there has been considerable public and media debate. The government has responded to this concern with the debt management strategy announced in the recent Budget. The entire proceeds of the sale of the bank will be used to retire State debt or commitments related to the State Bank group. As outlined in the Budget, the strategy aims to achieve a reduction in the nominal level of the State debt over the current financial year and this will be reflected as reduced debt servicing obligations in this and future years.

The State Bank (Succession of Commonwealth Bank) Bill consists of four parts. Part 1 contains the normal machinery provisions of a Bill such as purpose and commencement, and sets out definitions to be used in the Bill.

Part 2 operates to ratify the agreement entered into on 8 November 1990. The agreement itself is set out in Schedule A to the Bill. Honourable members should be aware that, while exhibits A to K are not set out in the schedule to the Bill, they were laid before the House yesterday.

Part 2 also provides that the sum of $45 million must be paid by the Treasurer into the Public Account from the proceeds of sale received under the agreement. As stated previously, the proceeds of sale are to be paid into the Victorian Debt Retirement Fund. The amount of $45 million, however, represents an amount which was advanced to the bank out of the Public Account some years ago to support its capital base. It is necessary that this amount be returned to the Public Account out of the proceeds of the sale.

Part 3 contains the succession provisions. The merger is being effected by statute passed by the State and the Commonwealth Parliaments. There is a principle of law which provides that where such a merger occurs and the transferor body is dissolved, the law will recognise that the ongoing rights and obligations of the dissolved body are rights and obligations of the succeeding body. This principle of law is recognised in other jurisdictions where the bank has carried on business. The clauses contained in Part 3 have been drafted in conjunction with the Commonwealth to ensure that the succession operates smoothly. The succession is anticipated to occur on 1 January 1991, being the day after the completion date as defined in the agreement. Also contained in Part 3 are clauses that either save or repeal guarantees and support arrangements entered into by the government in relation to the State Bank.

Part 4 deals with matters related to Tricontinental. It is proposed that, prior to the completion of the sale of the State Bank, the government will acquire the Tricontinental group. Part 4 operates to terminate the existing support arrangements that the State Bank has put in place to support Tricontinental and to give the government power to put in place its own support arrangements. Part 4 also operates to vest in the State any rights which the State Bank may have had to sue for loss or damage as a result of the actions of Tricontinental, its officers or employees.

The decision to sell the State Bank has not been an easy one. The decision has been forced on the government by difficulties largely within Tricontinental as distinct from the State Bank. The State Bank has historically served the people of Victoria and their businesses well. The sale of the State Bank to the Commonwealth Bank will strengthen the operations of the Commonwealth Bank in Victoria, and the Commonwealth Bank will, I am sure, continue to serve the people of Victoria.

I commend the Bill to the House.

Hon. R. M. HALLAM (Western)—This must be one of the saddest days in Victorian politics. The Bill confirms our worst fears as to where the Cain and Kirner governments have taken the State and the State's economy.

The facts are that through mismanagement and incompetence the Cain and Kirner governments have led this State to the ultimate insult: its prized possession, the jewel in the crown of the Victorian economy, our State Bank, has been gutted and destroyed and the State Bank (Succession of Commonwealth Bank) Bill delivers the last rites; the State Bank has to be sold.

While the Bill delivers the last rites to the State Bank, it offers one small consolation; that is, it is clear it delivers the last rites to the Labor Party also. The Bill must surely indicate the end. It must indicate that the end for the Labor government is not only inevitable but very near. Now it is painfully obvious the extent to which the Cain administration and latterly the Kirner administration have been directly responsible for the absolute destruction of the Victorian economy.

It is clear also that our State's reputation has been tarnished irreparably and that Victorians have been hurt financially and humiliated. As I said in another debate last night, the Opposition takes no joy in noting that Victoria has become known as the Albania of the south. I am sure the electors of this State will not forgive the stupidity and incompetence—indeed, the cavalier attitude—displayed by this government, and particularly those who engineered and supervised the economic demise of our State. Above all else, history will record this as the government that lost the State Bank.

Honourable Members—That's right.

Hon. R. M. HALLAM—That will remain forever the epitaph of the Cain and Kirner governments: an institution that has served this State well for almost 150 years and has survived everything thrown at it—wars, depressions and so on—cannot survive more than eight years of Labor! That just about says it all; it just about says everything there is to be said about the Bill and this government.

I have no doubt the price demanded by Victorian electors at the next opportunity will be high indeed. I suggest this government faces not just defeat but obliteration at the next election. I suspect the Labor Party will spend a generation in the political wilderness.

Apart from all that, the Bill is sad from a personal perspective in that it was simply impossible for the opposition parties—notwithstanding their goodwill—to avoid the outcome of the Bill. The destruction of the State Bank and the destruction of the economy in general has been so complete, so absolute, that simply no hope exists of salvaging the State Bank in its current form. No prospect exists for the Opposition to arrange protection for or rehabilitation of the State Bank; things have simply gone too far. That is perhaps the saddest part of the whole sorry episode.

It is my painful responsibility to inform the House on behalf of the Opposition that it sees no alternative to the sale of the State Bank and, on that basis, with a great sadness, it will not oppose the Bill. I assure the House and I assure all Victorians that the position the Opposition has taken on this Bill has not been taken lightly. Our position has been adopted only after exhaustive and exhausting investigations. The Opposition's Treasury committee, which I co-convene with Mr Stockdale, the honourable member for Brighton in another place, has spent many hours considering this issue. We have debated the Bill at great length; we have looked in much detail at the concepts that underpin it. We have taken advice from all the key players right across the spectrum. We have sought an extraordinarily wide range of expert opinion. We have had extensive briefings from Treasury officials; and I acknowledge the assistance offered from that direction.

We have spent time discussing the issue with the high profile Save Our State Bank Committee, the formation of which was prompted by the announcement that the bank would be sold. The fact that the committee was born overnight is in itself of considerable significance.

We have met with others—with leading stockbrokers and with the best-known international bankers; we have talked to the leading figures in the banking world. We have met with the chief executives of the Commonwealth Bank and we have talked with senior officers of the State Bank. We have met the union officials directly involved in this matter.

We have spent time also considering a detailed report made available to us by an expert commissioned by the Opposition but funded by the government for this purpose. The document provided a detailed and critical evaluation of the State Bank and all the circumstances surrounding its current position.

We have spent hours in debate on this issue. It has been debated between individual members of the Opposition. The matter has been debated at committee level, within the shadow Cabinet, within the leadership group, at party level and at joint party level.

We have considered a stream of position papers and reports. I assure the House we have canvassed all the options; we have looked at all the ramifications; we have searched assiduously for alternatives to the sale of the bank.

I can tell you also, Mr President, that we have agonised over our position. But in the end we have been drawn to the inevitable conclusion: we have no choice; our only realistic and practical option—consistent with preserving the long-term best interests of Victorians——

Hon. R. A. Mackenzie interjected.

Hon. R. M. HALLAM—The only option we have, Mr Mackenzie, is to allow the Bill to pass, however much we might regret that.

Politics is not without its ironies. No-one would have missed the paradox inherent in this debate. I am sure it will not pass the interests of future historians. Here we have a socialist government, ostensibly opposed to privatisation, introducing a Bill designed to sell off our major income-producing asset.

Hon. R. A. Best—The people's asset!

Hon. R. M. HALLAM—Indeed, Mr Best. Here we have also a private enterprise coalition, fundamentally for privatisation—in fact, one that holds that priority high in its policy documents—searching for ways to prevent the sale! It is an extraordinary situation and that in itself has prompted a strange mixture of common interests among honourable members in this place. Whatever else it has done, it has made life fairly interesting over the past few days!

From the Opposition's point of view, it is not the strategy that it finds abhorrent; it is the circumstances that drive it and the circumstances that prompted the government to make the decision to sell the State Bank. The Opposition draws the conclusion that the Bill and the decision that prompted it have connotations going far beyond the State Bank and far beyond the immediacy of the issues honourable members are debating today. It sends a shock wave right through the community.

I say again: I do not believe the "world's greatest Treasurer"; I do not believe the Australian economy is poised on the edge of greatness. I repeat: I believe that if the Victorian economy or, indeed, the Australian economy, is poised on the edge of

anything, it is poised on the edge of an abyss. I am not sure whether it is physically possible for a State to go broke.

Hon. Jean McLean—It's not.

Hon. R. M. HALLAM—I am not sure it is possible, but to the extent that it is possible, I say this State is broke today. We are broke right now. We have been forced to sell our flagship, not because of some strategy to reconstruct our asset holdings, not because we want to change the asset structure of the State, and not because we have decided that some asset is in excess and could more effectively be held in another form, but because we have no choice. We have decided to sell our most valuable income-producing asset simply to prop up the finances of the State, to cover the excesses of the past, and to make up for the stupidity of the government that has control.

I shall catalogue the reasons for the decision we have taken, but before I do that I shall make a very important clarification of the message that I seek to have conveyed to Victorians. We have no wish to add to the woes of the State Bank. We have no wish to add to the woes of its clients. It would be irresponsible to add to the problems. I make it clear that in our opinion there is no question mark over the security of deposits within the State Bank. There is no need for Victorians to panic and to withdraw their funds.

Hon. R. A. Mackenzie—Victorians need to know what is going on, though.

Hon. R. M. HALLAM—I do not dispute that, but the message I want to give is to make sure that Victorians are not panicked into withdrawing their deposits from the State Bank and thereby causing the very situation we are all concerned about and which they might fear.

There is no doubt that the State Bank is not trading well; we have only to examine this Bill to pick up the evidence of that. There is no doubt that we are not brought to this position because of something that transpired within the confines of Tricontinental. That much is clear. It is very clear that it was not just Tricontinental that got caught up with the fever of the 1980s, but the State Bank as well. I dispute the connotations and inferences in the second-reading speech that all this is somehow related and confined to Tricontinental, because that is just not true.

It was not just Tricontinental that got caught up in the crazy, undisciplined lending of the 1980s. The fact remains that in the year just completed State Bank Victoria would have returned a chilling loss had it not been for the prop-up measure funded by the taxpayers of this State. But, notwithstanding all that, the fact remains that the State Bank is guaranteed by Victoria, and any sceptic should be consoled by the evidence of that guarantee. We have just accepted a cost of $2.7 billion to prove that we guarantee the State Bank and that deposits are secure; and in that context the bank cannot fall over because we have a commitment to ensure that it does not fall over. On those grounds we must make it very clear that there is no immediate risk to depositors' funds.

The problem is—and this is what brings this Bill to the House and causes this sad day in the State's history—that that guarantee is costing us an arm and a leg. We simply cannot afford the cost of that commitment and Victorians cannot be expected to continue to outlay funds just to prove that the bank is safe. That is why we have no choice but to agree to the sale.

In addition to that, the fact that the bank is going to the Commonwealth Bank—which itself is guaranteed by the Commonwealth government, the Australian taxpayers and the Reserve Bank—must add to the strength of the guarantee. I make it very clear that

in our view there is no need for depositors to have an immediate concern on that score, that is, on the question of security of their deposits.

The fact is that there is no threat that the State Bank will fall over unless this government falls over—and by that I do not mean unless it gets beaten at the polls, but unless it actually falls over—and if there is a threat of that, of course it must flow through to the State Bank. I say again that the security of deposits will, in fact, be enhanced by the transfer to the Commonwealth.

Our eventual decision—and I concede that it was not easy to reach—is based upon two things which are simple in themselves but which caused us great heartache. The first issue was the problems associated with the ownership of the State Bank and the second was the range of alternative strategies available to address those problems.

Our view of the problem could be reduced to three or four very simple but central facts, to which I now refer. Despite the reams of charts, figures, theories, options and analyses, because of the losses of Tricontinental and the State Bank itself, this government has been required to provide a support agreement to the value of $2700 million. That is just about the beginning and the end.

We have become used to talking in terms of millions of dollars. But this Bill, this bank and this experience add another dimension. We now add the word "billions" to the vernacular, and it just rolls off the tongue. That is $2.7 billion by way of direct commitment on behalf of Victorians. The government itself is prepared to concede that the cost of servicing that each year—not paying it off, but just meeting the interest costs—will be $140 million in the first instance and eventually reach a maximum of $400 million a year by 1993-94. In terms of pain inflicted on the community, that $400 million is equivalent to the total take from our land tax, or from the taxes imposed on tobacco and liquor combined. That is the penalty for this maladministration; that is what we are now asking Victorians to pay—$400 million a year, a cost of frightening proportions.

The third fact, which does not get any more attractive whether we turn it upside down or however we view it, is that even after we sell the bank we will still owe $775 million. That is just spellbinding; it is awesome; it is awful. We have sold our prized asset and after we have received the proceeds we are still $775 million in the red.

What a catastrophe! What an extraordinary situation! The State Bank went from something which was our prized possession to something which had a negative value; it was not only destroyed but inflicted with a negative value after eight years of Labor government. That will remain as the government's epitaph. It is not only the dimension of the problem but also the ramifications of that debt that are important so as to understand this Bill and what it seeks to do.

Among all the things which it reveals is the enormity of the maladministration; the incredible cost of the lack of supervision by this government; the incredible cost of the lack of discipline within Tricontinental, State Bank and, indeed, within the government; the incredible stupidity which took place; and the lack of judgment at both Tricontinental and the State Bank.

Notwithstanding what the Minister has just said, I repeat that this is not a problem which comes to us as a result of Tricontinental. This is not something which happened at arm's length from the government. This is a problem that has come to us as a result of the State Bank and is something which should be under the direct supervision of this government.

The State Bank was caught up in the roller-coaster ride as fiercely and firmly as was Tricontinental. That raises a whole range of fundamental questions about the competence of the Treasurer and the senior Ministers of this administration.

It is very clear that the demise of the State Bank did not happen by chance. We are not looking at something which ran against direct policy, but rather that which almost inextricably followed policy. When the government took power we heard about the wisdom of modern money management. We saw a game plan that was consistently directed towards the outcome we now face. It was recognisable then.

You cannot destroy an economy overnight and you cannot do it without trying. This has happened not by chance or miracle; this is as a result of direct policy. The State Bank did not happen to shift its direction. We had a savings bank, staid and secure—sure, unspectacular—but it went on year after year meeting its original charter and producing a presentable profit. That is not what we now have.

Now Victoria has a bank that was directed to go out and chase the fast buck, to get into the commercial lane.

Hon. R. A. Mackenzie—Given that power by the Parliament.

Hon. R. M. HALLAM—Given the power by Parliament but given the specific directive of the Treasury. It is clear that the rate at which it acquired that commercial business was largely the reason for its downfall because it grew beyond its own capacity to support that growth.

More importantly, it is clear that much of the business was purchased—and I use "purchased" advisedly. We have had some quite incredible and chilling stories brought to us about Tricontinental and how for some time at least it was able to conceal a loan book which, it now transpires, discloses that eight out of ten individual loans are non-performing. That is extraordinary! I am not sure how you could do that if you tried but here we have a leading merchant bank which has a loan book in which only two out of ten loans are performing and meeting interest. The questions are absolutely fundamental.

Hon. M. T. Tehan—A grand VEDC; the same mentality.

Hon. R. M. HALLAM—It is extraordinary! How could that happen; how did that go unsupervised, unchallenged and unreported? But it happened at the direct insistence of policy that was set and imposed on the State Bank, and designed specifically by the government. It was not that we meandered to this position—the bank was told to do it!

Hon. M. T. Tehan—Chapter and verse.

Hon. R. M. HALLAM—Absolutely chapter and verse. It was told to get out and compete for the commercial dollar. Then, in addition and in the midst of all that, we purchased Tricontinental even though the question marks over its standing were well known to me, in a country city at the far end of this State—to use the phrase, "The dogs were barking!"

What did we do to overcome that problem? We bought the company! That is terrific! That was the answer to the question marks over the problems of Tricontinental and that surely turned out to be a fantastic deal because we got to guarantee the performance of Tricontinental!

Tricontinental's performance was recognised by the government at that time. I have no doubt that the government was aware of the grave question marks over the performance of Tricontinental and I have no doubt—and I am happy to put it on the record—that it was because of the question marks that this government bought the company. It did it to keep the stench under wraps. The purchase took place not because it was a good deal—it was because it was a rotten deal!

I will be absolutely delighted to have the Royal Commission examine that little episode about how we, the Victorian taxpayers, were caught on the back foot because our government bought Tricontinental and at some later date, through the benevolence of the State Bank, we saw a deal take place which transferred all the liabilities of Tricontinental through the State Bank to the taxpayers of Victoria. It has cost us $2700 million. This Bill has much more to it than whether we sell the State Bank. I look forward to that Royal Commission and the deals it will unearth.

All this came to a spectacular halt when the roller-coaster stopped as a result of the increase in interest rates. All the corporate high fliers came to ground with a sickening thud but more than the corporate high fliers were brought down. Victorians have been badly hurt as a direct result and all because of the incompetence and negligence of the government and, in particular, the former Treasurer. There may be room for debate about the circumstances under which that responsibility arose but there is no room for debate about the question of the responsibility of the Treasurer to monitor the State Bank.

An implication, a camouflage, is being put that somehow the whole problem relates to Tricontinental; that it was at arm's length from the State Bank and therefore the government is absolved of some responsibility; that the whole problem has somehow arisen beyond the control of the government; that it is somehow shielded from responsibility. The facts show that Tricontinental is a fully owned subsidiary of the State Bank. The audit trail leads directly from Tricontinental to the State Bank and from there to the desk of the State Treasurer.

Tricontinental was deliberately used by the State Bank as its merchant banking arm. That is why it was purchased in the first place. The merchant banking operation was a segment of business deliberately chased by the State Bank at the direction of the Treasurer. The bank did not come to the Treasurer and say, "Please, can we have permission to chase the commercial sector?" That is not the way it happened. The government would like the community to believe that now, but it is not true. This policy was at the direction—in fact, even the insistence—of the government. To suggest that the government somehow acquiesced in the change of direction is absurd and insulting.

The second factor is that the State Bank is the captive of government policy and direction. A direct legislative requirement is involved and the clear responsibility falls upon the Treasurer. I refer the House to section 29 of the State Bank Act 1988 which states:

> (1) The board must, annually or at such other intervals as the Minister determines, inform the Minister of its banking policy, its prudential standards and any other policy matters of which the Minister requests the board to keep the Minister informed.
>
> (2) If the Minister considers that any policy or prudential standards of the board are inconsistent with the objective of the bank, the Minister must consult with the board with a view to reaching agreement on the policy or standards.

There is no room to argue that the bank went off at its own behest and led us to these problems. The section pins the responsibility clearly to the desk of the Treasurer. More importantly, section 41 refers to certain guarantees:

> At the request of the board, the Treasurer, on behalf of the government of Victoria, by instrument on such terms and conditions (including payment of fees) as the Treasurer determines—
>
> (*a*) may guarantee, indemnify or otherwise support the performance, satisfaction or discharge of obligations or liabilities of the bank or a related corporation; and
>
> (*b*) may assume any obligation or liability of the bank or a related corporation.

The section leaves no room for debate. The Treasurer not only has the clear legislative responsibility for supervising the operations of the Bank; he has his own representative

on the board and he has a legislative requirement to receive minutes of the meetings of the bank within five days. Let us not hear more rubbish about shifting the fault and the responsibility. The law of the land, introduced by a Labor administration, says that the responsibility is with the Treasurer. Whatever else is said it is abundantly clear that the former Treasurer did not meet his responsibilities to monitor the performance of the State Bank. The loss of the bank, which is the effect of the Bill, can be traced back absolutely to the feet of Mr Jolly. He should have known of the losses and been able to anticipate the problems. Even if the former Treasurer is charged with mere incompetence in that he did not check the operations of the bank, it is clear he did not meet his primary responsibility.

The losses incurred by the State Bank have led to this sad position but, in addition, because of the policies espoused by Mr Jolly and to a lesser degree because of the engineering of Dr Sheehan, the former head of the Department of Management and Budget, there is another problem. The State Bank is not just carrying incredible losses; it is a different State Bank. It is no longer the secured State Bank of the past. Even after excising Tricontinental we no longer have the beast we once knew. We now have a bank which has been fundamentally restructured. It now has substantial loans in the commercial sector and other problems that are a direct result of that restructure.

It may have escaped the notice of the government that the economy has turned down and is now officially in recession. Even Mr Keating, the Federal Treasurer, has had to mention the dreaded R word and say that Australia is in recession. The problem is that the worst is yet to come for the poor old State Bank.

Hon. T. C. Theophanous—How is the State Bank of New South Wales going?

Hon. R. M. HALLAM—I do not think that even you, Mr Theophanous, should introduce a debate on the State Bank of New South Wales.

The government can claim some consolation in that all the corporate high fliers have hit the deck. I am concerned that many people from middle Australia will also hit the deck, primarily brought about by the policies of the government. I am concerned about the future of our farmers, our retailers, our manufacturers and middle Australia. Victoria is being squeezed from every direction. There is a loss of sales revenue on one side and there are escalating costs on the other. It must have an enormous impact on profit levels and, worst still, on liquidity.

This is the worst time to be involved in banking. In the face of this calamity the profile of the bank has shifted from the safety of the savings sector and has deliberately embraced the commercial sector. It cannot be said, therefore, that the community has seen the total cost of the crazy policies of the 1980s because there is more to come. The problem is that, notwithstanding the support arrangement that has already been recognised, another nought may still have to be put on the end of the losses of the State Bank. There is nothing to guarantee that the community has seen the end of the massive burden placed on it.

That was one of the crucial factors in the process by which the coalition came to its decision. No-one, irrespective of where they came from or what their experience was, could say it was the end of the costs. The government had led Victoria into such an extraordinary situation that no-one, not even members of the government, can say the pain has ended. That was the immediate problem; that was the coalition's definition of the circumstances it faced, and I shall now turn to the potential solutions that were canvassed.

The coalition considered carefully several options but all bar one were discarded. The first option was to do nothing, sit tight and let the world go by. That was a fairly attractive proposition in the circumstances. In that case the bank would have been

"saved" because the sale could have been prevented. Members of the coalition would have been heroes in the towns around Victoria and would have been acclaimed for what they had done for Victorians.

Hon. R. A. Mackenzie—Rightly so.

Hon. R. M. HALLAM—It was an extremely attractive option.

Hon. T. C. Theophanous—It goes against your philosophy.

Hon. J. G. MILES (Templestowe)—On a point of order, Mr President, if Mr Theophanous wishes to interject, he should do so from his own place.

The PRESIDENT—Order! I uphold the point of order.

Hon. R. A. Mackenzie—You would have had the support of the ALP conference as well.

Hon. R. M. HALLAM (Western)—It is interesting to recall the opportunities that opened up to us with strange bedfellows. We had offers of help from avenues we never anticipated.

Hon. R. A. Mackenzie—I bet you did.

Hon. R. M. HALLAM—I can tell you we did. From many aspects, sitting tight and doing nothing was an attractive proposition and the coalition would have been viewed as the saviour in some circles.

Hon. Rosemary Varty—What were we saving?

Hon. R. M. HALLAM—That was the next question to be addressed. If the bank were retained, Victoria would then be responsible for meeting the service costs and future and unknown losses. Victorian taxpayers would be exposed to further unknown losses quite apart from the costs of meeting the interest I outlined before. Apart from Victorian taxpayers being asked to incur the equivalent of what is now imposed by way of land tax or charges on liquor and tobacco combined, they would also be exposed to unknown future losses as well—not to mention the problem of paying off the capital debt. That is not an attractive proposition and the only thing that could be set off against it is the potential profits of the bank.

The coalition concluded very early without too much discussion that it was simply impossible, impractical and unfair to do nothing. It would have been an abrogration of responsibility to the taxpayers of the State. The huge risks involved meant the coalition had no choice in that context. There were two unknowns: the impact of the further shake-out in the corporate world, which the coalition anticipates will come; and, secondly, the predictions of profits from the State Bank. Recent history would do anything but fill one with confidence about that. Last year the State Bank made a substantial loss.

In addition, the coalition came to the conclusion that doing nothing was not an option because it did not address the debt. Over some years it has been the view of both the National and Liberal parties that something must be done about the massive debt of the State. Let us hear no more about how service costs are addressed; something must be done about the debt itself. The cost Victoria faces as a result of the government's policy is a massive millstone around the necks of Victorian taxpayers. To do nothing would have been unacceptable.

Hon. T. C. Theophanous—And not in keeping with your policy of selling assets.

Hon. R. M. HALLAM—You are in a powerful position to talk about that, I don't think! Early in the piece the coalition discarded the option of doing nothing and it

then considered the prospect of floating the bank. It had been proposed from many quarters that Victorians should be allowed to invest in the bank directly by way of equity capital, thereby saving the bank from the government's action. That issue was canvassed widely and was considered from the point of view of the bank in isolation or as a package, for example, with the State Insurance Office.

That idea turned out not to be an option, and the reason is sad. One thing that kept coming up all the time was not just the reputation of the State Bank but also the reputation of Victoria. In this environment that became an enormous hurdle. The truth is that no-one in the finance world wants to know Victoria because it is such a rotten risk as a result of where the government has taken it. It is not worth a bun; Victoria's reputation has been destroyed, and that closes doors everywhere.

Apart from that, banks as investments are decidely unattractive in the eyes of the finance world. That is not a manifestation of Victoria or Australia; it is a clear message coming from right across the finance world. In addition, the advice given earlier on was that there was no prospect of having that sort of deal underwritten. The advice of the market was, "Don't even bother asking; there is no way such a deal could be underwritten".

In that sort of environment the government cannot rely on the mums and dads of Victoria to come to the rescue of the State Bank. We are not talking about a piggy bank; it is the fifth largest bank in the nation and it is not practical to suggest it could be saved by the household budget.

Hon. R. A. Mackenzie—Do you think they should have a say in the decision to sell?

Hon. R. M. HALLAM—Yes, I do, but I thought that was the process of Parliament and I thought that was what I was doing now. The figures relating to a prospective float meant we did not spend a lot of time on that proposition. It was simply not on. Apart from anything else, if we went via the process of stuffing paper down the throats of Victorian investors it would not be long before those same people would be demanding a reasonable return. How long would it be before the saviours themselves start looking for some reward? One could not expect people to invest on the ground of benevolence. One has to be able to give them some indication of a future return. If we are not in a position to do that any flotation proposition would be doomed to fail.

The rules of the world are that you have to beat the market. You have to actually have people shift their investment portfolios. They have got to take an active decision to change from one point to another. In the real world we would be expecting a market in which the Westpac Banking Corporation—probably our biggest bank—would be offering a yield of 13 per cent, fully franked. That says a number of things. It says the banking sector itself is not too flash and that if we want to float the State Bank we will have to come up with something pretty spectacular.

Hon. Rosemary Varty—You've got to have a track record!

Hon. R. M. HALLAM—Apart from having to have a track record and needing profits to talk about franking, we would have to have something good to go to the market with. Why would investors shift camp in that environment? Why would they queue up to help us save our bank? It is a gamble no-one was prepared to take, and the conclusion we drew was that a float of the State Bank was not on, even if it was packaged with another attractive asset.

There is another complication that has not been mentioned anywhere by the government but which would have caused enormous problems in that sort of package: the bank itself has been consistently starved of capital. Our advice was that if the bank

were to go back and stand alone on its own resources we would need another $900 million by way of equity funding—so the proposition that we could float this off to the mums and dads of the State was not in the real world. The advice coming from the market was that we started $855 million behind scratch.

Throwing in some form of sweetener such as the State Insurance Office, the Gas and Fuel Corporation or the State Electricity Commission—heaven forbid, Minister—or even the Totalizator Agency Board is not a proposition because none of those was seen as compatible. We keep hearing the term "synergy". If you put two things together you have to have a form of compatibility that makes the sum more attractive than the individual parts. The advice we were given was there was not an asset in Victoria that would make the State Bank look good. There is nothing out there. This is such a denuded and debased asset that no matter what we did it would not be attractive.

On the advice we were given all we would do would be to sacrifice a good asset in the hope of salvaging the shell of the State Bank. The bottom line is that it happens to be in Victoria. I take no pride or pleasure in saying how clearly that message came through in our briefing sessions.

Hon. M. T. Tehan—Frighteningly so!

Hon. R. M. HALLAM—The evidence of it is everywhere. If you look at the results of the most recently reported banking operations of Westpac and the National Australia Bank, you will see that one of the chilling factors that comes out is the degree to which Victoria has contributed to bad debts.

Hon. T. C. Theophanous—Of the private banks?

Hon. R. M. HALLAM—Yes. Make light of it if you will, Mr Theophanous. The facts are that 45 per cent of all the losses incurred by Westpac were incurred in Victoria.

Hon. T. C. Theophanous—That's our fault too, is it?

Hon. R. M. HALLAM—Not directly, but it does illustrate the supervision of your government, Mr Theophanous.

Hon. T. C. Theophanous—We failed to supervise Westpac too, did we?

Hon. Rosemary Varty (to Hon. T. C. Theophanous)—You've missed the point!

Hon. R. M. HALLAM—Whether you like to contest it or not, I was trying to illustrate that as a direct result of and under the supervision of your government Victoria's reputation stinks!

Hon. T. C. Theophanous—What does that have to do with Westpac?

Hon. R. M. HALLAM—The leaders of the banking sector are saying they are deliberately removing from their documentation "Incorporated in Victoria" because it is a black mark across the world.

Hon. T. C. Theophanous—You failed to name the person yesterday. How about naming him today?

Hon. R. M. HALLAM—It is very sad that——

Hon. T. C. Theophanous—That you won't name the person!

Hon. Rosemary Varty (to Hon. T. C. Theophanous)—If you know, why don't you name him?

Hon. T. C. Theophanous—I don't!

The PRESIDENT—Order!

Hon. R. M. HALLAM—It is very sad that Victoria has been brought to this stage and we came to the conclusion that there was simply no way we could overcome this problem and address the situation of the State Bank by floating it off in the market.

And thus we came to the conclusion that we needed to sell some assets of the State. The next proposition was to look at the assets available. We canvassed the sale of the SEC, the SIO—which will come as no surprise to the Minister—the Gas and Fuel Corporation and the TAB. We took expert advice on the possibility of selling something other than the State Bank but, again, we came across the same sorts of problems. The evidence was that this was the worst time in history to be trying to sell anything in Victoria, irrespective of what it was we wanted to sell. The climate is dreadful. No-one trusts the government. The reputation of Victoria itself has been tarnished.

On top of that, the advice we got from the market was that service authorities themselves were not highly regarded anyway. No-one really wanted to know about the SEC or the Gas and Fuel Corporation. We kept coming back to the same point. If we had gone that way we would be sacrificing a good asset in a futile attempt to save a wasted one. We would sacrifice an income stream from another direction and all those assets looked better than the State Bank in this environment.

We were almost inevitably led to look again at the State Bank. We disregarded all the other options and by a process of elimination came to the fourth option, which was to sell the bank. We might have arrived at that conclusion by a completely different course from that followed by the government but it became clear to us that there was no practical alternative solution to the sale of the State Bank. The Labor government reached that conclusion but did so as a result of its being driven by a privatisation agenda in another sphere altogether, which was of interest to us but really only of passing interest. If there were some sort of hang-up in the Labor ranks about the need to sell the State Bank on some other criteria that really did not cause us much concern. It did not change the reality of the situation.

I am intrigued that the Treasurer has spelt out in one paragraph the basis for the sale of the bank. I refer to a letter signed by the Treasurer, Mr Roper, dated 27 November that was addressed to the shadow Treasurer, Mr Stockdale. In respect of the Bill, Mr Roper says:

> The decision to sell the bank was made because the Budget could not realistically sustain the servicing costs of the support agreement.

A bald statement of fact!

> This decision was made on its merits in view of those costs and the destabilising speculation about the bank.

There we have it! The bank has gone beyond the point of redemption. The Treasurer said there was no way to salvage the State Bank.

We looked at the circumstances and factors involved in the State Bank sale. Some fell within the category of pluses. Firstly the sale overcomes the inevitable demand for future capital. One of the matters that caused the State Bank great concern over the years is that as the shareholder the State has only injected $45 million in the bank by way of cash. That is all the State has ever contributed to the bank. That fact has not gone unnoticed by the bank because it refers to it each year in its report. The bank has tried desperately over the years to get additional capital.

That situation is not unique to State Bank Victoria. In fact it is a product of the system. All State banks appear to suffer to a greater or lesser extent the same sort of

debilitation. Governments traditionally—whatever their colour—cannot help themselves. Each year they pull out what the banks can stand by way of profits but they never put back any capital.

We are now told that State Bank Victoria needs $900 million. Where are we going to get $900 million?

Hon. T. C. Theophanous—Who told you that?

Hon. R. M. HALLAM—Someone whom I respect more than I do the inquirer.

Hon. T. C. Theophanous—That is not a reasonable response.

Hon. R. M. HALLAM—He happens to be the Managing Director of the Commonwealth Bank, Mr Sanders. He suggested that the State Bank today needs $900 million by way of equity capital.

Hon. B. A. Chamberlain—That was the minimum figure.

Hon. R. M. HALLAM—That was his minimum figure. I do not hear Mr Theophanous saying anything to that.

Hon. T. C. Theophanous—When did he say that?

Hon. R. M. HALLAM—Where are we able, particularly under this administration, to scrape up $900, much less $900 million? Because that problem is not unique to State Bank Victoria—in fact it is also suffered by other State banks—by the sale of State Bank Victoria we may be simply beating the rush. I predict that there will not be one State bank left in Australia in five years from today.

Hon. T. C. Theophanous—What about the State Bank of New South Wales?

Hon. R. M. HALLAM—The State Bank of New South Wales is in diabolical trouble, but it is interesting that it made a profit. How did we go down here, Mr Theophanous? How did our State Bank go? Does it look like making $3 million profit?

Hon. T. C. Theophanous—It made a profit after money had been injected!

Hon. R. M. HALLAM—It made a profit after massive public funds had been injected, to keep it quiet.

Hon. T. C. Theophanous—The same thing happened in New South Wales.

Hon. R. M. HALLAM—Moreover, we were inevitably drawn to the sale of the State Bank because that removed the risk of future losses. We are still concerned about the inevitable cost of any shake-out in the loan book.

If we examine the experience of Westpac Banking Corporation, despite what Mr Theophanous has said, the State Bank was trading in exactly the same environment as was Westpac and therefore Westpac is a good indicator. Westpac's profit declined by 40 per cent; its provision for bad debts was increased by 100 per cent. Moreover the chief executive of the bank conceded that the bank still had to face the September quarter which may be the toughest on record. Let us not have any illusions about how well things are going in the banking sector.

That itself is an argument in favour of the sale of the bank, but there is an even more important argument in my view and that is getting the control of the State Bank out of the hands of this pack of pirates on the government benches—that is most attractive to me.

I remember it was the same administration that supervised a situation under which a deal was struck between the board of Tricontinental and State Bank Victoria. That

document—somewhere out there—removed from the directors of Tricontinental their joint and several liablilities and shifted them to the taxpayers of this State.

Hon. Rosemary Varty—It is too much for Mr Theophanous; he has left the Chamber.

Hon. R. M. HALLAM—That cost Victoria $2.7 billion. It is the same government that supervised that deal.

If the opposition parties were to refuse the passage of the Bill it would leave the government in control of the piggy bank. What a prospect! Fancy leaving this mob in control of our bank; in two years there would be nothing left. By the time we took over government the cupboard would be bare. That is one of the key issues that determined my stance on the Bill. Fancy allowing this mob to pillage and plunder for another two years! The prospect is frightening.

The last issue that we examined was whether we should accept the offer made by the Commonwealth Bank. We did not like the way it was done. We all had grave concerns about the extraordinary haste. It left a nasty taste in one's mouth. It took about ten days from go to whoa.

Hon. B. A. Chamberlain—Woe is right!

Hon. D. M. Evans—Woe is us!

Hon. R. M. HALLAM—But to some degree that is all water under the bridge. It is important to understand exactly how the sale unfolded. The government commissioned Merrill Lynch, the commercial agents, to go into the State Bank, take a financial snapshot of the bank and then go around the trade seeking interest using the snapshot as a bartering chip. The condition of the deal, for those who were interested, was that they could submit a tender based upon the snapshot on the premise that if their particular tender was successful they could then go in and negotiate the accuracy of the snapshot.

Hon. R. A. Best—Is it a snapshot or a negative?

Hon. R. M. HALLAM—Very droll, Mr Best; thank you. There were two tenders: the Commonwealth Bank tendered a cash price of $1600 million and Westpac Banking Corporation tendered slightly more, $1655 million.

But in both cases there was to be a sweetener, and that was the extent to which the Commonwealth was prepared to forgive debt in return for the forgoing of notional tax benefits that would augment the price by a further $413 million.

Hon. Rosemary Varty—You have to make profits before you can pay tax!

Hon. R. M. HALLAM—That was one of the complications. One argument put forward was that, because it was the Commonwealth Bank in this instance and because of the ramifications that had in respect of tax entitlements and implications, miraculously the Commonwealth Bank's tender price just happened to be effectively higher than that of the Westpac Banking Corporation. I am happy to debate that because I am not persuaded by those arguments at all.

However, I started off from a point of advantage because I did not believe there would be a sale to any bank other than the Commonwealth Bank. I believed from the outset that the whole tendering process was a charade. I did not have any hang-ups about whose offer was the best because effectively there was only one offer on the table—one offer that could be accepted in the political environment in which it was offered. Westpac's offer was hypothetical. In my view the offer was valuable because at least it gave the government, observers and Parliament a yardstick. But it was always going to be the Commonwealth Bank that was the successful tenderer.

The Federal Treasurer is following a different agenda. His agenda is to privatise the Commonwealth Bank.

Hon. M. T. Tehan—Now you'll get your philosophy, Mr Theophanous!

Hon. R. M. HALLAM—To that extent this Parliament and the Victorian taxpayers are nothing more than pawns in the game, and so is Mr Theophanous. He is just a pawn in the game, like everyone else in the State. It does not really matter what we say in this place. If it did not fit in with the game plan of Mr Keating, it would not have run anyway. But I am not hung up on that. I do not care what sort of fun and games they want to play on the other side of the House. I do not care what sort of disruption has to be caused by the Labor Party's factional fights, so long as the ultimate deal turns out to be in the best interests of Victorians. That is my brief. I do not care about all the infighting that takes place within the government. I do not care about Mr Keating's agenda.

Hon. R. J. Long—Mr Keating is a bit too smart for them.

Hon. R. M. HALLAM—That's another debate.

Hon. T. C. Theophanous—A bit too smart for you!

Hon. R. J. Long interjected.

The PRESIDENT—Order! This is a very serious debate and honourable members are listening to a well-considered contribution. It makes a mockery of the House if we have interjection upon interjection upon interjection, as has just occurred. It will not be permitted.

Hon. R. M. HALLAM—I do not care about Mr Keating's agenda; I do not care what he has in mind. My concern is what the outcome represents to the taxpayers of this State. That is the only consideration.

As an aside, I think Mr Keating is about to be hoist with his own petard, but I do not care; he can do what he likes. I suspect—and I make it no stronger—that the snapshot was not accurate. I suspect that the $1600 million was a gross overstatement. I suspect, when the due diligence process took place and the adequacy of bad debt provisions was assessed by the intending purchaser, that $1600 million in cash was much more than the true value of the bank. I suspect the Commonwealth Bank tried desperately to reduce the price as a result of what it discovered in the due diligence process.

The coalition has been told, on expert advice that it commissioned but which the government, to its credit, funded, that the true value of State Bank Victoria is in the range of $900 million to $1100 million. That estimate might be arguable and there is room for debate; that is what the marketplace is all about. But this deal is suggesting that our expert advice is $1000 million out. The Commonwealth Bank will pay $2000 million for an asset which our expert advice says, at tops, is worth $1100 million. I would trust the expert advice we received long before I would trust our Federal Treasurer.

I suspect the Victorian Premier, Ms Kirner, told Mr Keating that she could not survive if the cash price was $1 less than $1600 million. I suspect it was a political price that pumped up the contract for the State Bank. If, as I predicted in this House some weeks ago, the true value of the State Bank is something less than $1000 million, Mr Keating has surely been hoist with his own petard. I suspect Mr Keating went along to the members of the board of the Commonwealth Bank, belted them around the ears and told them, "We cannot allow you to pay less than $1600 million because the State Bank cannot be sold for less than that and the Victorian Premier could not withstand the factional fights that would provoke".

Hon. T. C. Theophanous—Sheer speculation!

Hon. R. M. HALLAM—I suspect that may all come out in the wash, and Mr Theophanous might live to regret that remark. I suspect the price ultimately determined now in this Bill is grossly overstated. I believe the taxpayers of this nation are now subsiding this deal to the extent of at least $600 million. I suspect that is the price Mr Keating is having the Commonwealth taxpayers pay.

So one is drawn to the inevitable conclusion that the price was not of concern. In fact, our belief is that the price is, in crude terms, overgenerous. The corollary of that is that, if the Commonwealth Bank had come back to the negotiating table, we would have been offered much less than the original offer that was made.

The coalition has also considered this matter from the perspective of annual returns. We looked at the price from the perspective of what one could expect the bank to bring into the public purse. There was a lot of speculation about that; many so-called experts kept coming back to the publicly reported profit of the bank. I had a great deal of trouble persuading some members of the coalition that that view was inappropriate. The best return ever in any year for the State Bank was in 1989–90 when the bank had a profit of almost $200 million. That figure was one that many observers used as a yardstick to measure whether the deal was good or bad; they happened to choose not only the record figure but also the published profit.

I believe that is grossly misleading because the total profit cannot be withdrawn. Victorian taxpayers never receive the full value of the total profit declared by the State Bank because of the problem I outlined earlier: most of the profit of the bank is required as retained earnings. That is the only place the bank can get its equity growth from. The shareholder has never agreed to put in any more. The only way the bank's capital accretion requirements can be met is through retained earnings from, for example, the $200 million profit that was earned in the record year.

The take by the government, greedy as it is, was $86 million in that record year, and that is the figure that must be used when any projections are made—which is why many of the projections went astray. We cannot change the way the bank is constructed; and notional profits cannot be used as a yardstick because they are relevant only when we talk about capital growth and the value of shares—and it was not intended to sell the shares. The only yield that was relevant was the flow of funds from the bank's profits into the public purse which, at its peak, was $86 million.

How the $86 million measures up against what Victoria has been offered for the State Bank must be examined. We have been offered $2000 million for the bank, most of it as cash in our claw, to forgo the prospect that the bank might again earn a record profit of $86 million, a yield of 4.3 per cent. On those figures Victorians would have been better off if the funds had been put in a bank savings account. There are side issues to do with staffing matters, and so on, but in crude terms we could not forgo the prospect of recovering $2000 million on the basis of likely projected profits. It simply was not a deal. On that basis the inescapable conclusion was reached, although by another route, that the offered price was okay.

Perhaps the best argument in favour of the bank being sold to the Commonwealth Bank concerns the central question of confidence in the State Bank. The opposition parties' real concern was not the niceties of economics but the confidence in the bank, something about which Victorians were very sceptical, and with good reason. Financial markets are very sensitive at the best of times, but currently the Victorian sector is very fragile, most of the reasons for which can be traced to the actions, policies and attitudes of this government.

We cannot get away from the consequences of what happened to the Pyramid Building Society. Inevitably we are drawn to the statement made by Messrs Jolly and McCutcheon, the then Treasurer and Attorney-General, earlier this year which was designed to provide comfort to Pyramid investors. Whether it was a guarantee or not, the fact remains that when the crunch came the government failed—and as a result its reputation is in tatters. The government has lost the trust of Victorians, and that has had enormous implications for our State-owned bank. Not for the first time Victorians learned that they could not rely on the word of the government. Despite our best attempts to console State Bank depositors and to try to persuade them that the bank is guaranteed by the government of Victoria we always had to add the caveat "but the government happens to be this government"!

Hon. R. A. Mackenzie—That's when the people stopped laughing.

Hon. R. M. HALLAM—That's when the people stopped laughing. Whatever else the government has learnt, surely it must have come to the conclusion that it cannot play fast and loose with people's lives and their money.

Hon. R. A. Best—And their futures.

Hon. R. M. HALLAM—No, it cannot do that! That is why in those circumstances members of the opposition parties had a special responsibility. If we had acted prematurely or in an ill-considered way we could have caused grave hurt and harm to the community. If we had even implied that our State Bank was likely to fall over the cost to Victorians could have been calamitous.

At that time—and we were offered political heads on a plate almost every day—it was and is clear who was responsible for the mess; yet members of the opposition parties had to turn away from taking advantage of the political opportunities because to have done so would have been to the cost of Victoria and Victorians.

I have no doubt that history will judge that the opposition parties are right to believe that we can hold our heads high because of the way we have conducted ourselves throughout this sad and sorry episode: we have acted in the best interests of Victorians by taking the only responsible course open to us.

In that context the prospect of selling the State Bank to the Commonwealth Bank is attractive. The bank will be removed from the hands of this Labor administration—and that in itself is attractive—and the sale of the bank to the Commonwealth Bank will guarantee its security and restore the confidence of depositors.

In crude terms the Commonwealth Bank is about three times the size of the State Bank, and the strength of the Commonwealth Bank is not in doubt. That is a very important consideration. We could not have said that a run on the State Bank was impossible. Even though we tried to persuade people that a run would be illogical and irrational, because section 41 of the State Bank Act says the bank is guaranteed by the government we could not have been absolutely sure that there would not be a run on the bank. If we had come out in the early stages of this episode and said there would not be a run on the bank, that very statement may have triggered such a run. If we had been too clever in trying to protect the security of the bank it may have had the opposite effect. We had already been through several harrowing experiences; there had been runs on banks in Mildura, Horsham, Gippsland and Sale.

Hon. R. I. Knowles—And Ballarat.

Hon. R. M. HALLAM—And the causes of those runs were extraordinary.

The PRESIDENT—Order! Perhaps the elaboration of that matter would be best dealt with after the luncheon adjournment!

Sitting suspended 1 p.m. until 2.2 p.m.

Hon. R. M. HALLAM—Prior to the suspension of the sitting I was explaining that one of the crucial factors which the Opposition had considered was the prospect of a run on the bank and how we were concerned that we could not rely upon logic and rationality in that respect. I had explained that we had already seen several really concerning mini-runs at provincial locations. They could be traced to nothing more definitive than innuendo—and the innuendo was bizarre. There has been an announcement that the last day on which Pyramid depositors could take up their 25 per cent recovery was approaching, and somehow in the translation that was mistakenly taken to mean the last day of trading for the State Bank and it was nothing more concrete or definitive than that story which saw people queue up to recover their deposits. The little old ladies from across the community all went to the State Bank on the strength of that to withdraw their deposits.

That was the environment that concerned us. The whole sector was tinder dry and we had to be supremely careful about how we handled this issue if we were not to inadvertently add to the prospect of a run on the State Bank and cause further damage and hurt to depositors and taxpayers of this State. Again, we were drawn inevitably towards accepting the Commonwealth offer.

It goes without saying that that conclusion means that we have discarded the proposal put forward by the Save Our State Bank Committee. In that context we did not draw a conclusion lightly and I want to put on record that the Opposition commends those from across the community who were prepared to show sufficient interest to become involved in the future of our State Bank. I do not accept their arguments but I do commend them for showing sufficient community interest to register their concern the way they did.

The problem with the argument put forward by that committee was that it was based on a premise that we could value the bank by capitalising the existing stream of profits. That is a brave assumption. In the first place it assumed that the profit disclosed in the State Bank report was the appropriate starting point and I outlined why that was misleading. In the second place it presumes that the bank makes a profit, and that is an even braver assumption.

In fact last year the bank made a calamitous loss and I have not seen any evidence to suggest that the loss factor is not something that can be discounted in the future. In other words, I saw no evidence that the bank was about to rebound back to its former level of profitability, which placed a fundamental question mark over the premise which underpinned the salvage suggestion.

Worse still, I could not come to grips with the proposition that was being put to us that we could value the bank based upon someone's estimate of the assets involved. From my experience I have seen a graveyard in the corporate sector full of those who do not understand the difference between asset value and liquidity. Most of the business failures across history have arisen indirectly as a result of people misunderstanding the importance of liquidity. It is fine to talk about asset valuations, the long haul and what the bank may be worth to us in the future, but we have to survive to achieve those benefits and we have immediate cash problems that will not go away.

One cannot bank asset values that appear in a ledger somewhere; one cannot pay off debts with asset values; one can only do that with cash and we have an immediate problem with cash flow. We do not need more borrowings, which was the implication

of the suggested solution. That is what led us to the problem in the first place; borrowings that we have difficulty servicing.

I was not impressed either with the conclusion drawn by that committee that we did not need to pay off the Tricontinental debt, that somehow that would only emerge as a result of the sale deal. That is extraordinary logic. The fact remains that irrespective of how we address that debt we must service it in the interim; until we have the ability to reduce the debt we have the immediate problem of servicing it. As I pointed out before, the cost of servicing that debt would absorb the record profit of the bank several times over. That is the real world; no theory, no hypothesis, that is the real situation.

I also had grave problems coming to the same conclusion that the committee reached in respect of the loss of jobs which would occur as a direct result of the sale of the bank. Underpinning that was an assumption that if we did not sell, all the jobs would be saved. That is just not possible. It is nonsense. When we talked to those responsible for the operation of the bank, we learnt that State Bank Victoria is already shedding staff numbers in large proportions. In fact Mr Ward Ambler reported that under the new board, which is still in its infancy, the aggregate level of the employment within the State Bank had declined by 600 persons, from an initial level of 13 000.

He said that, as a result of the trading performance of the State Bank, inevitably more staff had to go; he suspected it would be several hundred more. One cannot conclude that if this Bill is not allowed to pass through the House it will somehow miraculously save the jobs of those employed by the State Bank; that is not supportable.

I cannot accept the crude basis upon which the wage loss was described. The inference to be drawn was that if the bank was sold all employment positions would automatically be lost, and the effect of that was traced through and was implicit in the model produced by the committee. That simply ignores a whole range of factors. It ignores the fact that those who lose their jobs have an opportunity to find jobs elsewhere. It assumes that none of the bank employees will find alternative employment. That is not the way the world works and that conclusion has to be discounted on that basis.

The premise of the committee's conclusion was that there would be no impact, as a result of those people being caught by the social security net. We saw a quite intricate exposé on the impact of consumption expenditure and a multiplier introduced into those computations. I believe that was wrong because it ignored the fact that those who sadly lose their jobs and cannot find alternative employment will be caught by the social security net and to some degree their consumption expenditure will be protected.

I could use the same argument to rebut the assumptions in respect of the loss of payroll tax and other attendant taxes with respect to employment. There was a theme underpinning the implications for staff levels that all the staff would somehow shift interstate when the bank was gone.

I do not for one minute play down the impact on employment opportunities in this State that will result directly from the sale of the bank; however I believe they will be much less and much later than those assumed in the Davis model. I admit I hate the thought of the headquarters of our State Bank being shifted interstate—that affronts me; it is very sad.

Hon. R. A. Mackenzie—We will never get that back.

Hon. T. C. Theophanous—You don't know that.

Hon. R. M. HALLAM—I find that very sad, perhaps one of the saddest aspects of the whole episode; however, I cannot ascribe to the theory that one can simply take the notional loss of jobs and extend that by a multiplier factor and thereby come to some precise impact in terms of total tax. We must expect some loss in the banking world and that will be particularly tough in those suburbs, provincial cities and country towns where the Commonwealth Bank and the State Bank are already trading side by side. There must be some job losses there; that is inevitable. That is part of the price that must be paid as a direct result of this government's maladministration. I am sorry to say it will be more heavily felt in the country. Against that, it will not be immediate. The sites of the banks will not be immediately lost. I hope the economy is able to expand to take up the opportunities that those sites represent. I hope there will be structural change to allow the employment opportunities to be recovered in some other way.

I am heartened to some degree simply by going back to the facts. They include that the State Bank is the fifth largest bank in our nation, with an extremely broad branch structure. It is simply impossible to conceive of the bank being swallowed up overnight. No bank taking over State Bank Victoria could expect to simply digest the amalgamation in a few days. It will take some time; there will be a shaking out. I hope the costs to the community can be minimised in that process.

In respect of the impact the loss of staff will have, I suggest the Davis paper dramatically overrates the real outcome. I am not persuaded, either, by the inference that taking one player out of the banking market will as an automatic consequence have a major impact on competition in the banking sector. Such an attitude reflects an ignoring of reality. That is particularly so given the demise of the State Bank because even more energetic jockeying for positions in the banking sector will result from the sale. In my view the players left will be forced to sharpen their pencils to an even finer point!

When that big section of the banking sector is up for grabs, the players will be vying hard to win that section of the trade. Those to whom we spoke in the banking sector—and they represented the private banks—indicated they certainly will be out in the marketplace taking the opportunity to capture that part of the trade. If the officers of the Commonwealth Bank think they can simply buy the name "State Bank Victoria" and thereby capture all its trade as a matter of course they are in for a huge shock. They cannot rely on such an outcome; the other banks will be out there vying for the business. I believe the sale of the bank will not result in any noticeable impact on competition. It will not have any major impact on banking margins or the cost of money.

For all those reasons the Opposition concluded that the sale of State Bank Victoria was inevitable and the logical choice was to allow the Bill to go through and so consummate the sale of State Bank Victoria to the Commonwealth Bank. We concluded that, given the circumstances in Victoria, the Commonwealth Bank is the most appropriate purchaser of State Bank Victoria.

One other factor influenced the Opposition's decision. It was the matter of entrenchment. The key players in the banking world do not walk around with their eyes and ears shut. They heard the government's announcement that State Bank Victoria was to be sold to the Commonwealth Bank. Already they have shifted their stance, either to accommodate the sale or to take account of it. They have presumed the sale will go ahead. The Opposition could not rely on things going on as they are if it said no to the Bill. If the Opposition said no to the Bill, a further shake-out would occur in the banking sector and State Bank Victoria would hurt even more as a result. If the Opposition said no, the marketplace would suffer dire consequences.

As for the Bill, the Opposition concedes it does what it says it will do. However, we have one abiding reservation. It relates to the indemnity the Bill seeks in respect of the directors and officers of Tricontinental Corporation Ltd. The Bill seeks to absolve them from responsibility. I really cannot believe after all that has happened the government could have the gall to include that clause in the Bill. I ask: how do members of the government look at themselves in their mirrors? How can they say, after all that has happened with the loss of State Bank Victoria and the enormous debts confronting Victorian taxpayers, by way of the provisions of the Bill: "Please make sure that no responsibility can be directed to the directors of Tricontinental"? What an extraordinary situation.

I understand that the government has conceded that that is beyond the pale and that we will have an amendment which makes it abundantly clear that the indemnities are for directors who will be appointed in the future. That is a very important clarification. The former directors of Tricontinental must now be held responsible for the outcome of which we see the product in this Bill.

However, I also concede that we have another problem. Despite everything that has been spoken of about the Bill, attention is required in another direction. One part of this deal is the pleasant outcome that we get to keep Tricontinental; we still have the mongrel child! One of the key responsibilities confronting the government must be to ensure it gets a decent burial, that we minimise the future losses from within the Tricontinental shell.

We will need the best expertise available to ensure that we at least stem the losses from that direction. That means we must be prepared to import expertise. It would be simply unrealistic to suggest that we could get the people we need without giving them some sort of protection.

If the indemnity protection applies to new directors, we will not argue; but, Minister, if the indemnities within the Bill seek to protect the directors who were in office when this travesty took place you most certainly need to be worried.

Hon. D. R. White—We're not seeking that.

Hon. R. M. HALLAM—The conclusion is that we have no realistic or practical option but to support the Bill. To do otherwise would be contrary to the best interests of Victorians and the depositors in the State Bank. That means the bank must be sold. It also indicates the enormity of the damage caused by the Cain and Kirner governments.

We have lost the ability as an economy to trade around our problems. We have now come to the inevitable conclusion that we must be prepared to sacrifice a very important income-producing asset to keep the economy alive. As I said, that makes this a very sad day for Victorians. But of one thing we can be sure: Labor will never be forgiven or forgotten for this sad episode in Victoria's history.

Honourable Members—Hear, hear!

Debate adjourned on motion of Hon. JEAN McLEAN (Boronia).

Debate adjourned until later this day.

ENVIRONMENT PROTECTION (FEES AND PENALTIES) BILL

Committed.

Committee

Clause 1

Hon. B. T. PULLEN (Minister for Education)—I thank honourable members for their general support of the legislation. A number of undertakings were requested

during the second-reading debate. One related to quarterly collection of chlorofluorocarbon fees, and I give an undertaking on that point. All the fees will be phased in over three years and the government has no intention of seeking further increases in the maximum licence fee. The annual fee for most individual premises will increase by the same amount each year until the fee is reached. Those comments meet the points raised during the second-reading debate, and I am charged on behalf of the Minister for Planning and Urban Growth to give those undertakings. Fees for most premises will not increase by more than 100 per cent of the current fee in 1990–91.

Clause agreed to.

Clause 2 postponed; clauses 3 and 4 agreed to; clause 5 postponed.

Clause 6

Hon. M. A. BIRRELL (East Yarra)—I move:

That it be a suggestion to the Assembly that they make the following amendments in the Bill:

1. Clause 6, line 4, before "In" insert "(1)".
2. Clause 6, line 7, after this line insert—

'(2) After section 24 (2A) of the Principal Act **insert**—

"(2B) The Authority may reduce the licence fee which is otherwise payable in respect of a licence if the Authority is satisfied upon application to the Authority for a reduction that in all the circumstances it is reasonable to do so.".

(3) Despite anything to the contrary in the Principal Act as amended by sub-section (1) the licence fees prescribed under the Principal Act shall be fixed at an amount which in the opinion, based on reasonable grounds, of the Chairman of the Environment Protection Authority recorded in writing prior to the fees being prescribed (and reproduced in the Annual Report of the Environment Protection Authority for that financial year) will ensure that the total revenue raised from the licence fees will not exceed—

(*a*) $5 500 000 in the financial year ending 30 June 1991;

(*b*) $7 500 000 in the financial year ending 30 June 1992;

(*c*) $8 500 000 in the financial year ending 30 June 1993.'.

The purpose of these amendments is to provide a substantial phase-in of the planned increases in licence fees. As I indicated in the second-reading debate, the coalition wants to ensure that if there are to be increases industry is given a reasonable time to adjust. We were pleased to note that our concern was shared by a number of conservationists who spoke to us. They thought it reasonable to have that phase-in process. The government's original proposal did not guarantee such a phase-in period. The Opposition believes it is necessary.

On page 23 of Budget Paper No. 4 of 1990–91 the government indicated that it intended to raise $8.5 million in 1990–91 from environment protection fees. Subsequent to our representations the government committed itself to a phase-in but wished to do it by way of undertakings. With due respect to the government's undertakings we considered that was an inadequate safeguard for industry and, as a result of negotiations, it is considered that the best way to achieve a guaranteed phase-in of fees and a reduction in the revenue take the government is actually seeking from industry was by moving these amendments.

The practical effect of the amendments will be twofold: firstly, the actual revenue gained by the government as a result of the fee increase will be reduced from an anticipated $8.5 million in 1991 to $5.5 million in 1991. We understand the government has accepted the general tenor of the amendments.

Secondly, they will ensure that the EPA has a statutory head of power to reduce licence fees to less than they would have been under the Act and the regulations if, in all the circumstances, it is reasonable to do so.

In other words, the EPA will have the capacity to reduce the fees that would be charged for new licences, amended licences or combined licences if it were reasonable to do so. For example, a person who took out a new licence and found that the fee would be higher than that paid by all that person's competitors simply because the competitors had licence fees geared around the phase-in would be able to approach the EPA to seek a lower licence fee. That head of power will be of assistance to industry. It is reasonable.

The overall impact of the amendments will be to give a fair go to industry while still implementing the concept of user-pays on a gradual basis. The Opposition is pleased that the amendments will enable industry to achieve substantial savings over the next 24 months.

Hon. D. M. EVANS (North Eastern)—I strongly support the amendments moved by Mr Birrell, who has properly outlined the position that is fully supported by the coalition opposition on this matter. As I did during the second-reading debate, I direct attention to the fact that, while the Opposition and certainly the National Party recognise the value of the user-pays principle, they believe that principle needs to be introduced gradually. It should not be fully implemented at this time because if it were it would be to the sheer detriment of industry in Victoria, which is already under substantial pressure.

In introducing the concept of user-pays the Opposition and certainly the National Party draw a clear differentiation between penalties for transgressions against provisions of an Act and the concept of a licence fee which, in the normal course of the operations of a business under an Act, are subject to increases. It is our firm belief that those increases must be set at a reasonable rate if business is to have the opportunity of adjusting its affairs to meet those costs. In those senses it is clear that the amendments proposed by Mr Birrell are very proper, and they certainly have my support.

Hon. B. T. PULLEN (Minister for Education)—The government will not oppose the amendments because it has agreed to the phasing-in provision. Nevertheless the amendment No. 2 has been clumsily drafted, which I hope will not create unforeseen problems for the administration of the legislation. Secondly, the amendment makes no provision for exceptional inflation rates. The amendment has been the subject of considerable negotiation; to facilitate the passage of the Bill the government will agree to it.

Hon. R. I. KNOWLES (Ballarat)—The Minister said that amendment No. 2 has been clumsily drafted. He will be only too well aware that this is the eighth attempt to put into words what the Opposition is trying to achieve, with which the government agrees.

Hon. M. A. Birrell interjected.

Hon. R. I. KNOWLES—And, as Mr Birrell says by interjection, which the government has readily offered by way of compromise.

The Opposition is not seeking to make the structuring of the fees impossible to achieve, but we are determined to ensure that the government keeps the undertaking it gave. That is why the amendment provides that when the fees come into operation from 1 January next year, based on current information no more than $5.5 million will be raised in the year ending 30 June 1991; no more than $7.5 million in the financial year ending 30 June 1992; and no more than $8.5 million in the financial

year ending 30 June 1993. The intent of the amendment is clear and is understood by both the Minister and the Chairman of the Environment Protection Authority. The figures allow for a substantial increase in the fees collected—from $5.5 million to $8.5 million in three years—and the Minister's implication that the rate of inflation may be higher than that is horrifying. The amendment has been drafted in this way not because we believe the industry ought to be paying fees of $8.5 million in three years time but because we wanted to put into the legislation what has been suggested as a reasonable phasing-in period.

Although it may not be abundantly clear from a reading of the amendment, the meaning of it is clearly understood by all parties. The drafting is the best that could be decided on to put into words what is clearly understood.

Suggested amendments agreed to; clause postponed; clause 7 agreed to.

Clause 8

Hon. M. A. BIRRELL (East Yarra)—I invite the Committee to vote against this clause for the reasons I outlined in my speech during the second-reading debate.

Hon. D. M. EVANS (North Eastern)—I support the attitude taken by the Leader of the Opposition because I believe, because of the way the clause is drafted, it will not achieve the government's stated objectives.

Hon. B. T. PULLEN (Minister for Education)—The government opposes the omission of the clause. We believe the Opposition has buckled under to pressure from the industry and certain water boards. It flies in the face of the best principles in relation to controlling pollution and attacking it at the cause rather than attempting a remedy after it has occurred. Many authorities are in a situation where they have an economic relationship providing disposal of sewage and pollution services and do not have the expertise to intervene.

I should have thought the experience of Nufarm Ltd would have made it clear one needs to address pollution at the source and in terms of processes that are occurring where people are manufacturing or using materials, rather than addressing it when it shows up as a problem in terms of handling by agencies charged with the handling and disposal of wastes. The Opposition has made much of the improvements it believes have occurred in New South Wales in the handling of pollution. This amendment is at variance with the process adopted in New South Wales; it is dealing more with a situation of people causing waste rather than relying on processing authorities.

Despite the argument put up by Mr Birrell it is really an example of being concerned about having some process in place which goes to the matter of the authorities—water boards and sewerage authorities. The removal of the clause will limit the capacity of the Environment Protection Authority to apply its expertise and surveillance to the operations of those authorities to see they are exercising due diligence and examining problems in advance. It will also limit its capacity to intervene at an early stage to reduce instances of discharges rather than relying on authorities to take action after discharges have happened; and at a stage where considerable economic and other difficulties can result in trying to turn that around; and where compromise and delay are often evident in achieving a remedy.

It is clearly a case where the Opposition is responding to pressure from industry and from those boards that are conservative in this regard. The Opposition's action to remove the clause is detrimental to the intent of the legislation.

Hon. M. A. BIRRELL (East Yarra)—I reject the notion that the coalition has formed its views in response to pressure from some small water boards that oppose the clause.

Hon. B. T. Pullen—And industry.

Hon. D. M. Evans—The Board of Works is not a small water board.

Hon. M. A. BIRRELL—I make it quite clear that I have not been pressured by any water boards, small or large, on this issue. I also make it quite clear there is a philosophical divergence between the way we and the government approach the issue. This proposal is not equivalent to regulating private industry. This clause seeks to give one arm of government the capacity to regulate another arm of government, which begs the question as to whether the other arm of government is not meeting the government's objectives. If the government wants to do that, if it has problems following the so-called "Nufarm incident", then it should change the Board of Works Act so it is consistent with the Water Act. That has not been proposed here today.

I refer to a letter dated 7 November I received from Greenpeace Australia Ltd and signed by Mr Simon Divecha, a toxics campaigner for that organisation, which says:

> Clause 8 of the Bill is necessary to achieve such a coordinated approach and while recognising that sewerage boards could use such a clause to relieve themselves of their responsibility to enforce conditions, nevertheless some measures are necessary.

I can understand what Greenpeace was saying there, and certainly in discussions that David Evans and I had with Greenpeace there was an appreciation that the approach of the coalition was not an indication of some weakness but it was an approach that showed that the opposition parties had a different style of dealing with the underlying problem.

To now agree to the amendment proposed by the Bill in these circumstances would simply compound the very problem with which the government is trying to deal. It would give so-called bad and small water boards an opportunity of never turning their minds to the environmental imperatives that we placed on them under the Water Act, because they could also say that it was the EPA's job, and to suggest that this is a long-term solution is a nonsense.

If the government is dinkum about this the Minister responsible for water boards should do something about it and not suggest that the passage of a small amendment which passes the buck to the EPA will solve the problem at all.

Clause negatived.

Clauses 9 to 13 agreed to.

Clause 14

Hon. M. A. BIRRELL (East Yarra)—For the reasons I outlined in the second-reading debate the coalition does not support the amendment proposed by the Bill, which would give an unrealistic and uncontrolled power to the EPA. But on behalf of the coalition I repeat the offer that if the EPA, through the Minister, wishes to approach Parliament again for new specific heads of power to raise fees, we will entertain that approach.

Hon. B.T. PULLEN (Minister for Education)—I appreciate the point about the offer of a further approach but there is some misconception about the intent. Honourable members should be aware that the EPA already provides services for investigation of sites, and if requested by consultants actually does a considerable amount of work that is eventually at the taxpayers' expense.

That work is on charge, in a sense, because consultants who do investigations of sites and receive that benefit of advice and work from the EPA clearly can include that as part of the service they provide to the people who originally hired them and receive renumeration for it.

The EPA is providing, at the expense of the public purse, a service for which it does not receive any compensation or recognition at all. It continues to do this because it is to the public good that the appropriate information is made available, so that the development of projects at least is carried out with an awareness of the advice the EPA provides.

Denying the EPA the right to charge a fee for such a service is basically putting the authority in the situation of either reducing its costs by not providing the service—which may diminish the amount of information available to the community—or continuing to provide free advice to industry and to various people concerning the development of sites, subsidised by the public purse. So the main implication of the denial of the clause by the opposition parties will be an impost on the EPA that will hinder the authority in introducing a properly constructed system of fee for service.

I do not understand any of the philosophy or the logic in the steps that have been taken. It is not a tax at all; it is basically a fee for service of a consultancy kind which the EPA, in the public interest, should provide as part of its overall contribution to public information. In areas of pollution or the development of sites and expertise, the EPA can be helpful to all parties in determining the best solution.

Therefore, although I acknowledge that the Opposition may be receptive to another proposal, I have not heard any real argument to suggest there should be a denial of the passage of this clause.

Clause negatived.

Clause 15 agreed to.

Postponed clause 2

Hon. B. T. PULLEN (Minister for Education)—I move:

1. Clause 2, line 2, omit "15 (2)" and insert "14 (2)".
2. Clause 2, line 4, omit "15 (2)" and insert "14 (2)".

These are amendments that we now need to make as a consequence of the Committee having voted against clause 8.

Amendments agreed to; amended clause agreed to.

Postponed clause 5

Hon. B. T. PULLEN (Minister for Education)—I move:

3. Clause 5, line 4, after "27A (1)," insert "28B (5),".
4. Clause 5, line 8, after "27A (1)," insert "28B (5),".

Similarly, these amendments are necessary as a result of the Committee having voted against clause 8. The effect of voting against clause 8 was the removal of the power in the Act to deal with abatement, and it is necessary to reinstate that power through these amendments.

Amendments agreed to; amended clause agreed to.

Progress reported.

Suggested amendments and amendments reported to House.

Report adopted.

Ordered to be returned to Assembly with message intimating decision of House.

STATE BANK (SUCCESSION OF COMMONWEALTH BANK) BILL

Debate resumed from earlier this day; motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

Hon. JEAN McLEAN (Boronia)—The Treasurer, the Honourable Tom Roper, has said that the Bill to sell the State Bank was one of the saddest things that he has ever been involved in. I do not say that I just feel sad; I also feel very angry that the corporate cowboys, the economic rationalists and the Federal government's regulation policies created the climate in Australia in parallel with Reagan's USA and Thatcher's Britain—for a society applauded for its greed and selfishness.

While the press and our politicians lauded the Bonds and the Skases, the Elliotts, the Connells and the Ansetts, we celebrated their opulent lifestyles and their plastic toys and boats. We were told they were the risk-takers; that their vision was our future. We were not told that it was our money that they were risking. At the same time the unions and the unemployed were being told that they should take lower wages for the good of this economy.

The merchant banks came into their own with deregulation, and the old-fashioned banks like the State Bank were being cajoled into venture capital through the Tricontinental merchant bank. They were expected to match the entrepreneurial prowess of the newcomers from overseas. The level playing field meant "Join us or get out".

I had explained to me by supporters of deregulation of the banking system that the public would gain by competition; that there would be lower interest rates and better service and that competition would ensure a fairer deal for all. Instead the private banks were overwhelmed by the entrepreneurs' dreams of unlimited wealth, and as we know their dreams became nightmares reported on the front pages of our newspapers. Most of the foreign banks that came here after deregulation got out, albeit with their pockets bulging. The private banks now have debts called non-performing loans that rival and collectively far outweigh the State Bank's debts. These banks are apparently capable of weathering the economic disaster, so they can trade their way out. They are not proposing to sell. I believe the public is aware of the situation and understands that the huge debts incurred by our financial institutions came out of the highly speculative investment climate created by the entrepreneurs.

I found it very hard to come to terms with the incredible dilemma of being asked to accept a decision to sell 148 years worth of public investment and tradition; to accept this decision on faith in one hour on a Sunday afternoon. I do not pretend to have superior wisdom or knowledge compared with my colleagues or even the Opposition, but I do know this State has massive assets, natural wealth and a great future; and, properly managed, we could well have found a way to keep our bank.

It seems a tragedy to me that we do not have time to evaluate alternative propositions put forward by economists such as Kenneth Davidson, Professor Wheelwright from Sydney and Professor Davis and others from the Melbourne University faculty of economics. Unfortunately the debate has now rather belatedly started in the financial pages of the newspapers, and public meetings around the State appear to have come too late to save the State Bank or prevent the privatisation of the Commonwealth Bank. I have listened carefully to Mr Hallam and I believe he has made a fundamental

confusion in his speech between price and value. Whatever may have been the short-term cash price that other banks were prepared to offer, another set of quite different calculations needs to be made to calculate the medium to long-term value of the bank to Victoria. Neither Mr Hallam nor the Opposition seems to have carried out that calculation.

The costs were highlighted in Professor Davis's report and include the loss of future revenue and income, the possible loss of thousands of jobs and the economic losses consequent on the sale of the bank, the value to Victorians of having their own bank and the loss of the financial infrastructure resulting from the movement of the bank's management to Sydney.

The government proposes to spend $5 million on the Royal Commission into Tricontinental, which is necessary, but it relates to events that occurred in the past. Earlier this year the government spent $2 million to assess the social and economic impact of the 1996 Olympic Games being held in Melbourne. To my knowledge the government has spent nothing assessing the social and economic impact of this massively important decision which will have an enormous impact on the future of Victoria.

I fear history may well record that we gave away without a fight not only 148 years of our past, but 100 years of our future.

Hon. M. T. TEHAN (Central Highlands)—The people of Victoria, and certainly the people I represent, want to hear what has happened over the past twelve to eighteen months of total chaos. Since January 1989 Victorians have watched the government admit that over the past eight years it has amassed losses of hundreds of millions of dollars. The problems first started with the Victorian Economic Development Corporation, and I shall come back to that organisation because it and the State Bank are referred to simultaneously in the glossy literature that the government issued during the 1980s.

When I was elected to Parliament my preliminary reading was the glossy green covered and silver covered books which supposedly announced the economic strategy of Victoria as proposed by the government. However, the edifice began to crumble, first with the VEDC and finally with the State Bank. The collapse of the VEDC was seen as an enormous financial collapse, but compared with what has happened since it is almost of minor significance; nevertheless, the same principles are involved. The community has seen the collapse of the Pyramid Building Society, which was bad enough, but is finding it difficult to believe that the State Bank is being sold.

During the past twelve months the former Premier has had to resign because it was too hot for him to stay on as Premier and because he was not prepared to announce that the bank had to be sold. The realities of the financial disaster that had occurred came during an hour-long meeting held by the Labor Party on a Sunday. The next day, on the Monday, the headlines were "State Bank sold" and with that announcement 148 years of history had gone, together with our expectations and our traditions.

I advise anyone who wishes to examine the financial intricacies of the sale of the State Bank to read the excellent exposé that Mr Hallam presented to the House this morning. No-one could have put it more clearly or precisely. Mr Hallam indicated the enormity of the situation. He asked why it happened and how was the government involved. He examined whether the Opposition, Parliament or the community could have saved the bank from being sold—one of the main things that the Liberal Party examined. Despite the fact that Mr Theophanous said it was in line with Opposition philosophy, the Liberal Party did not want to see the State Bank go or the final loss of confidence that the sale of the bank means to the community.

The honourable member for Brighton, Mr Stockdale, and Mr Hallam established a series of briefings for the coalition parties from people of undoubted calibre and status. They assembled every expert they could in order to examine the possibility of saving the bank. Mr Hallam said that every possible initiative, every suggestion put forward from honourable members and the community, and every proposal put forward by organisations such as Save Our State Bank Committee did not prove viable for one reason: the hole was too big and the debt too great; Parliament and the people of Victoria could not be held to ransom for decades to come to service the interest on the debt, let alone pay it.

In deference to Mr Hallam, the average person cannot understand the enormity of the figures we are talking about. I give one example that might bring it home. Mrs McLean and I met in the corridor of Parliament House the other day and we began talking about the proposal to sell the bank and this legislation. We talked as one individual to another and did not purport to have an economic background or to have analysed the financial aspects of the sale of the bank. Mrs McLean said to me, "I have been able to lose my handbag and you have been able to lose your money, and I have even lost my Bankcards at different times, but they have lost the whole bloody bank". That is how the people of Victoria understand it. The government, Cain, Kirner, Jolly and Sheehan, have lost the whole bloody bank and it is almost inconceivable. I use the word "bloody" only because of the anger, the frustration, the loss and the ongoing lack of confidence.

The loss of the State Bank is not the result of ineptitude, Tricontinental or Ian Johns: it is the result of the long-term strategy introduced in 1982 by a government that was going to turn the State around. They called themselves modern financial managers and their philosophy was spelt out in the glossy literature that was compiled during that period. I shall demonstrate that the government sought to make the bank part of its strategy. It connived, manoeuvred, and forced the bank to make the financial decisions that it did. The bank, supposedly, is independent and responsible. It had able directors but they were fooled, as were the people of Victoria, especially because we have been left with the debt. In April 1982 the government issued a publication called *Victoria. The Next Step* which refers to economic initiatives and opportunities for the 1980s. Those philosophies may have worked for the 1980s but they are certainly not working for the 1990s. Chapter 8 of the publication, headed, "The Public Sector and Capital Markets", examines the role of some Victorian and government-owned financial institutions which are part of the capital market and which we are told will support the initiatives of the economic strategy of the government. It states:

> The particular focus will be on institutions which operate in the supply side of the capital market, namely, the Victorian Economic Development Corporation (VEDC), the State Bank of Victoria, the Rural Finance Commission and the State Insurance Office.

We were told that those organisations will operate in support of the initiatives of the economic strategy. They were tied in chapter and verse with the government's economic strategy.

Page 68 of the 1984 government publication *Victoria. The next step,* indicating what the bank's origins in the 1840s and 1850s were, says:

> Like any other Australian trading bank, the State Bank has a strong profitability objective. However, its charter also requires it to fulfil a social responsibility, namely, the provision of banking services to the State and to its residents.

We accept that. That is what we understood the State Bank to be. It has a social responsibility; it has a responsibility to provide banking services to the residents of Victoria. The document goes on to say that an influx of capital from the government will establish the bank's positioning as a competitive commercial institution in a

world market. The document was spelling out this government's economic strategy to make the State Bank a competitive commercial institution in world markets.

The document goes on to say:

> This positioning will be important to the bank's ability to provide a contribution to the objective of the economic strategy.

That is not an initiative of the State Bank; it is an initiative of the government.

> To support the government's economic strategy the State Bank has agreed to—
>
> (*a*) develop its capacity in export/import financing and to improve its related foreign exchange services;
>
> (*b*) consolidate and expand its corporate lending activities to medium sized companies . . .
>
> (*e*) continue and expand its program of meeting the capital needs of government and semi-government authorities, particularly in the international market;
>
> (*f*) review and expand its overseas representation, including the South East Asian and Pacific Basin areas.

It was a deliberate strategy of this government, which wanted to get into the big time, compete with private enterprise and do what the rest of private enterprise was doing. However, it was doing it with our money; it was playing with our taxes and savings but it has left us to pick up the consequences. Those sorts of tie-ins between this strategy and the failure of the State Bank are making people demand to know the economic link. They are asking why and how it happened and how responsible the government is. If this government is going to do anything it must widen the inquiry it has established into Tricontinental to include the opportunity for people to look at the State Bank in its entirety and to connect those economic strategies and determine their effect on the loss honourable members are debating today.

The 1984 green book was updated in 1987 by the silver book. We were really at the height of the good times then. Money was pouring in and governments were doing wonderful things. This government was freelancing it with the best of them. However, it did not have the expertise, the experience or the personnel and was totally out of its depth. It should not have been in this field but it was going merrily along in April 1987 and talking about the State Bank in its new silver book. This one was called *Victoria. The next decade* so the government was considering what would happen in the 1990s. It was the future of the Victorian economy. It was facilitating economic growth and competitive strength.

In the area of competitive strength the silver book referred to State-owned financial institutions and what the government proposed to do with them. The book says that government-owned institutions such as the State Bank and the Victorian Economic Development Corporation have a major role in the implementation of the government's economic strategy. The book refers to increasing the asset base of the bank from 7.5 billion in 1984 to $10.5 billion in 1986. On a group basis in 1986, with the assets of Tricontinental, the bank's wholly owned merchant bank subsidiary, being consolidated for the first time, assets were $12.4 billion and operating profit after tax reached $77.8 million. That sounded good in 1987 but nobody was watching to see what seeds of disaster were sown and growing.

The government indicated clearly to the marketplace that it was committed to ensuring that the bank was equipped to provide an active and expanding role in meeting the financial needs of the community, and in particular the Victorian market.

Page 244 of the silver book states:

> The government is continuing to review methods of injecting further capital into the bank in order to meet the requirements of the bank and the prudential requirements of the Reserve Bank.

It refers to favourable ratings by overseas agencies as important factors in the bank's strategy of pursuing a flexible approach to both domestic and offshore fundraisings at keen interest rates to meet an asset-driven growth of the bank's balance sheet.

It goes on:

> The bank now provides a wider and more effective range of banking services to corporate and government clients. This has taken place against a background of recruitment and development of key executives, a greatly expanded capability in domestic and international banking and capital markets, and in the origination, trading and placement of corporate and government debt.

It is imperative that the people who do not know how or why the disaster happened understand fully and have the opportunity of asking the appropriate questions. How has a bank that has served the people for 148 years found itself being sold to the Commonwealth Bank after just eight years of Labor government? I am suggesting that these papers contain the evidence that shows the State Bank was pushed into the path it took. It was pushed into it as part of the government's economic strategy—its modern money management.

That is why it is absolutely vital that the terms of the inquiry be extended. The public should know not only how the State Bank was involved and the extent of its involvement but how and why this government played its role and pushed the bank into this situation.

It is obvious that there is no way to deal with the Bill than passing it. I have never seen a more extensive examination of alternatives than the process the coalition has gone through in the past two weeks. I felt sorry for Mr Mackenzie who, as an independent member, did not have the resources made available to him. Many of us shared his concerns over the past two weeks and we hoped we could do something more for the bank.

I had the same hope but, after having been to at least half the briefings that have been so admirably outlined by Mr Hallam, it became as clear as the nose on your face, Mr Acting President, that we could not save the bank. We heard private bankers, public bankers, the President of the State Bank and the Executive Director of the Commonwealth Bank. We had people visit us to discuss other opportunities of selling other assets and combining assets or of floating the operation. Unfortunately the die was cast and the debt was too great. We were not dealing with my handbag or your wallet or someone else's Bankcard. We were dealing with a loss of the whole bloody bank and we could not bring it back! We could not save it. It was on the brink of bringing Victoria to its knees. The only thing we could do is to take the action we have taken so reluctantly: to support the legislation.

We cannot leave this debate without pointing out that despite the sale and loss of the bank Victoria has inherited an ongoing debt of $775 million. While the people will say that the bank has gone and that we can do no more, that continuing debt will be a continuing indictment of this government. The public wants to know how it happened and I think the final responsibility the government has to this Parliament is to widen the Tricontinental inquiry and ask the questions which have been asked in both Houses of this Parliament and which require immediate answers.

I have tried to put the debate in simple terms for the people in the street, and to indicate how they feel—their confusion, their disappointment and their lack of confidence in their leaders. They voted the government in three times. They thought the Labor Party might be able to do something. Now they know not only that the government has achieved nothing but also it has brought upon this State absolute ridicule and a total lack of confidence across the world. Victoria is a laughing-stock among financial operators throughout Europe and America. The least that can be

done is to extend the inquiry so that the people have some way of knowing how and why this disaster occurred and of ensuring that it never happens again.

Hon. W. R. BAXTER (North Eastern)—Today is 30 November, St Andrew's day. For a person of Scottish descent it should be a day of celebration, but what a depressing day it is. Outside Parliament House farmers are demonstrating because they have been brought to their knees by the wreckers in the unions. Inside Parliament House honourable members are witnessing the demise of the State Bank, brought to its knees by the wreckers in the Labor government.

Despite having heard today from my Deputy Leader, the Honourable Roger Hallam, who gave a landmark speech, a masterly analysis of the situation, it does not take away from the fact that today we are witnessing these latter-day Pontius Pilates who have tried to wash their hands of any responsibility. In the second-reading speech delivered by the Minister for Industry and Economic Planning earlier today there was no acceptance of any responsibility at all: no sense of remorse or accountablility. The government wants to blame someone else: blame the bank executives; blame the business community; but the government does not accept any blame itself.

The former Premier, the honourable member for Bundoora, the man who for so long extolled the virtues of his economic policies, and his failed Treasurer, the honourable member for Doveton, did not contribute to the debate in the other place. The failed former Treasurer accepted no responsibility or blame at all. As reported in one weekend magazine, he even attempted to blame his wife—poor woman—for his decision to stand aside. I find it quite disgusting that a person can be at the head of Treasury for so long, can bring in the so-called economic whiz-kids and see such absolute failure unfold before his eyes, but not be prepared to show the slightest remorse and cling to office by remaining Secretary of the Cabinet. If the honourable member for Doveton had any honour he would have resigned from Parliament in disgrace a long time ago.

I understand not even the Premier contributed to the debate on this Bill in the other place. I have never known a situation in a time of crisis—and this is a crisis, no two ways about it—that the Premier of the day did not make a contribution.

Let it not be forgotten that the ALP government changed State Bank Victoria. I recall in 1985 and 1986, and again in 1988, when the State Bank Act was being rewritten, members of the government taunted us when we expressed some reservations about what they were doing with the State Bank. Jolly and Cain in particular taunted us. What do they try to do now? They try to spread the blame by including us in it and saying that we agreed to the changes made to the State Bank Act in those earlier years.

The government changed the bank from what it had been—a savings bank, a home lender which had a proud history of advancing loans, particularly to young couples, at perhaps a more moderate interest rate than was being charged by other financial institutions. It became the same as any other bank. The government changed it from being a retail bank, funded by retail deposits, to one that relied on professional funds—and the government ought not forget it. The government attempted to make the State Bank the spitting image of every other bank in this State, but it failed because it did not give it the expertise to be the same as any other bank. The government failed to give it the capital required to be the same as any other commercial bank. Let us not forget that for one moment when the government makes these specious attempts to pass the blame. The blame lies squarely with the government, and I will make sure it never forgets that. And I will not be alone in that aim.

It was government policy that led the bank along the path that took it to its ruin and demise, both directly and indirectly. The government altered the State Bank Act in 1988, and Mr Hallam referred the House to the relevant sections which gave the

Treasurer of the day direction over State Bank policy. There was the indirect culture of the day established by the Labor government, including the VEDC and other financial devices, and the Sheehan philosophy.

Of course, that had a spin-off to the State Bank executives and directors. They believed they had to go along with government policy. The State Bank was an arm of government. It was government-owned, and it was incumbent on the executives and directors to follow government policy.

Lack of supervision was the problem. The Treasurer failed to exercise that supervision, despite the fact that he had a representative on the board, despite the fact that under the law he received the minutes of board meetings within five days of each meeting——

Hon. P. R. Hall—And they appointed the State Bank board.

Hon. W. R. BAXTER—Yes, as my colleague says, the government appointed the State Bank board. Despite those facts, the government destroyed the bank. In addition to the straight-out monetary costs, which are now running into thousands of millions of dollars, there are the intangible costs, such as the loss of confidence in the whole State of Victoria for which Victorians will pay dearly for many years. It will be impossible to measure such costs. There is the loss of jobs and potential jobs. Jobs will not be created in the future because investment will not be attracted to this State. That will be an extraordinary burden for all Victorians to bear for a long time.

The notorious propaganda journals printed at taxpayers' expense, now known as the green and silver glossies setting out the Sheehan, Jolly and Cain vision—sold to the people of Victoria in the 1980s as the way to go—now lie in the ruins. Victorians rue the day that those publications ever hit the streets. There are no two ways about it: those publications set out and chronicled the road to disaster.

The people of Victoria want to know how it happened. I support the call made by Mrs Tehan and Mr Mackenzie for an inquiry. But the reality is that we cannot have an inquiry until the sale is consummated. Human nature being what it is, such an inquiry would create a run on the bank and the bank probably would fall over completely.

I believe the Royal Commission into Tricontinental will find the answers anyway. The history of Royal Commissions in this country over the past fifteen to twenty years is that once they get on the trail they go to the very end. At times they lead up some odd roads, as occurred in the painters and dockers Royal Commission, the Fitzgerald Commission of Inquiry in Queensland and inquiries elsewhere.

If the government is not prepared to expand the terms of reference of the Royal Commission to cover the State Bank, it will be found out anyway because the terms of reference, as they are, are sufficiently wide to enable a Royal Commissioner doing his job properly—and I am certain the three commissioners will do their jobs properly—to get to the bottom of it and sheet home the blame to the people and the policies that are responsible for this disaster, this tragedy.

I make one plea to the Commonwealth Bank as it is becoming the owner of the State Bank: that is, that it maintain banking services for the general public of Victoria on as wide a spread as possible and as the State Bank has done for so many years. I make that plea on behalf of country people especially.

I know that in many country towns where there is a duplication of a Commonwealth and a State Bank that there is likely to be some rationalisation and one will close. I do not suppose I can do much about that. However, in those smaller country towns where there is only a State Bank branch and the Commonwealth Bank is not represented, I ask that that State Bank branch become a branch of the Commonwealth

Bank and that the Commonwealth Bank does not withdraw to major towns and regional cities. For a long time country people, the small businesses, small farmers, and the mums and dads in the country towns have solidly supported the State Bank. I do not want to see that facility lost to them and I make that plea to the Commonwealth Bank.

Governments come and go and generally they are remembered for one thing. The Bolte government, despite being in office for so long, will be remembered as a pro-development government, the government that got the State up and running after the wartime difficulties. The Hamer government will be remembered as a more caring government, a government which turned attention to the environment, conservation and quality of life issues.

Despite one or two useful initiatives it might have taken, the Cain–Kirner government will be remembered as the government that lost the State Bank and the people of Victoria will never forget it. It will not be the monument of this government, because "monument" conveys memory of something that is worth remembering, but it will become the epitaph or perhaps even the tombstone of the government. It lost the State Bank and it is a loss it will never live down. The Labor Party will pay for this for decades to come.

Debate adjourned on motion of Hon. JOAN COXSEDGE (Melbourne West).

Debate adjourned until later this day.

VICTORIAN DEBT RETIREMENT FUND BILL

Committed.

Committee

Clauses 1 and 2 agreed to.

Clause 3

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

1. Clause 3, page 2, lines 10 to 12, omit the definition of "**Capital Works Authority**".

2. Clause 3, page 2, line 13, omit "means a" and insert "means the Director of Housing, the Institute of Educational Administration, the Rural Water Commission, the Victorian Tourism Commission or the Zoological Board of Victoria or any other".

3. Clause 3, page 2, line 14, omit "declared by Order of the Governor in Council" and insert "prescribed by the regulations".

4. Clause 3, page 2, lines 30 to 32, omit paragraph (*f*) and insert—

   "(*f*) any other prescribed arrangement;".

5. Clause 3, page 3, lines 25 to 28, omit paragraph (*e*) and insert—

   "(*e*) any other liability of the State that is prescribed as State Debt for the purposes of this Act;".

Hon. R. M. HALLAM (Western)—During the currency of the second-reading debate I outlined the Opposition had no objection in principle to the establishment of a debt retirement fund; in fact, that we warmly supported the concept. Our concerns were more with the mechanisms of the Bill and the way in which the fund would operate. If we could be convinced that the Bill is a mechanism that would isolate, identify and even highlight the retirement of debt we would support it but we were unable to support it in the form in which it was brought to the House because we saw the potential of it being a mechanism that would enable camouflage of the debt

position, an opportunity to further muddy the waters in that, at least in one context, it offered the opportunity of getting the whole issue off the Budget and away from the spotlight.

In that context we proposed a range of amendments that have now been taking up by the Minister and are the amendments that are now being presented to the Committee. I acknowledge that the government has accommodated the concerns that we expressed at the time and I also acknowledge that these amendments have been framed after close consultation between the parties involved and that we will be supporting them.

Amendments Nos 1 and 5 do a number of things. The first amendment relates to the definition of the Capital Works Authority and it is significant in that all it does is simply delete the words "Capital Works Authority". There is a background to that. There is a question mark over the authenticity or the legality of the Capital Works Authority and the way it came into being. We were concerned that, if by no other form than implication, this Bill would give a credence and legitimacy to the Capital Works Authority which it may not have. The amendment deletes the definition "Capital Works Authority" so that it cannot be argued that the Bill legitimises the establishment of that authority.

The second amendment relates to our concern about authorities which can be caught within the Bill. In the initial instance the Bill simply leaves that to the discretion of the government and we were not prepared to accept that. In fact, we required that inclusion should be by way of prescription rather than by the whim of Governor in Council. That creates some problems from a time point of view. It is a fairly difficult process to go through to designate by prescription and it may in some cases involve a time lag of six months. We conceded there was a problem there but the compromise we struck was that the government list all the public authorities which it believes it wants to designate. They are now included in the Bill and, as these are now specified, that should overcome the government's objection to timing complications relating to proclamation by regulations.

We also have some concerns about the definition of "any other arrangement" because that definition goes to the genesis of the Bill. We require that that be prescribed by regulations rather than approved by the Governor in Council on the recommendation of the Treasurer. I do not need to go further to indicate why the Opposition was concerned about the Bill in its original form when in fact the crucial issue, arrangement, in this Bill was to be made available at the whim of the Treasurer and we certainly were not prepared to concede that in principle.

Amendment No. 5 moved by the Minister goes to the issue of what is State debt. That is a very contentious issue and it has been debated in this House on many occasions. Amendment No. 5 requires that any liability to be included within the definition of "State debt" which does not fall within the paragraphs and descriptions already included in the Bill must be prescribed by regulation rather than declared by Order in Council.

I do not need to canvass the reasons behind that; they would be painfully obvious to members of the Committee. The amendment closes the loophole and removes a discretion available to the Treasurer. On that basis the Opposition will support amendments Nos 1 to 5 moved by the Minister.

Hon. ROSEMARY VARTY (Nunawading)—In supporting Mr Hallam I should make two points. Firstly, these amendments are intended to ensure that this authority works as effectively as possible in a way that is acceptable. It is essential that the authority does so, because of the current state of the finances of Victoria. As Mr Hallam has said, a lot of work has been put into these amendments to ensure they

meet the criteria that the Opposition has set. The Opposition thanks the Minister for that.

I point out that in amendment No. 2 as circulated there is a repetition of one line and I am not sure what the process is to ensure that that is attended to.

The CHAIRMAN (Hon. K. I. M. Wright)—I indicate to the Committee that that line has been deleted.

Amendments agreed to; amended clause agreed to; clauses 4 to 6 agreed to.

Clause 7

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

6. Clause 7, line 21, before "In" insert "(1)".
7. Clause 7, after line 23, insert—

"(2) A direction by the Treasurer to the Authority must be in writing.

(3) If the Treasurer gives a direction to the Authority, the Treasurer must within 14 days after giving the direction cause a copy to be given to each member of the Legislative Assembly or the Legislative Council who has advised the Treasurer in writing that he or she wishes to receive a copy of any such direction.".

Hon. R. M. HALLAM (Western)—Amendment No. 7 is a very important shift in respect of the Bill itself because it requires that directions given by the Treasurer to the authority must be in writing. More importantly, if the Treasurer gives such a direction he must also within fourteen days give a copy of that direction to any member of Parliament who requests it in writing. That person must also be given a copy of the debt retirement strategy. Mr Chairman, this overcomes a very important loophole. As the Bill was originally constructed, the Treasurer could give a direction to the authority and no-one else need know about it. That is why I expressed grave reservations during the second-reading debate. It seems crucial that if the Treasurer is to have primary influence over the authority—and that is clear because he has the power of appointment—whatever direction is given must be obvious to those who are interested in it. It is a very important amendment so far as the Opposition is concerned. The amendment takes the lid off the directions given by the Treasurer and obviates another potential for abuse.

Amendment No. 6 is consequential upon amendment No. 7. The Opposition supports amendments Nos 6 and 7 for the reasons I have outlined.

Hon. ROSEMARY VARTY (Nunawading)—Mr Chairman, the important thing to recognise is that the adequacy of reporting is conditional upon that reporting being timely. One of the difficulties the Opposition has encountered is that the usual practice is for authorities to report only annually. In this particular circumstance we are saying that actions taken, particularly by the Treasurer, need to be available to the Opposition when they are taken so that it can not only track them but watch what the impact is to ensure that those actions do not cause further difficulty for this State.

Amendments agreed to; amended clause agreed to.

Clause 8

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

8. Clause 8, line 25, before "The" insert "(1)".
9. Clause 8, after line 27, insert—

"(2) the Treasurer must cause a copy of each debt retirement strategy submitted under sub-section (1) to be given to each member of the Legislative Assembly or Legislative Council entitled to receive

a copy of financial statements under section 24 when a copy of such statements is next given to the member."

Amendments agreed to; amended clause agreed to; clause 9 agreed to.

Clause 10

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I invite the Committee to vote against this clause.

Hon. R. M. HALLAM (Western)—Clause 10 declares as ineligible for appointment or continuation as a member of the authority a person who has attained the age of 70 years. A person who turned 70 years of age would be turned out to pasture. The Opposition considers that inappropriate. There is no way of selecting an arbitary age at which appointees may be unsuitable for such a position. The Opposition's view is that that may unwittingly close the door to the most appropriate person to be appointed, someone who has perhaps served a lifetime in banking circles or some related field who would be a very appropriate appointee. This clause closes the door to such an appointment. The Opposition believes it inappropriate and therefore supports the deletion of the clause that precludes the appointment of a person more than 70 years of age.

Clause negatived.

Clauses 11 and 12 agreed to.

Clause 13

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

11. Clause 13, line 24, omit "by the Treasurer" and insert "by the Governor in Council and published in the *Government Gazette*".

Hon. R. M. HALLAM (Western)—The Minister has moved an amendment to change the way remuneration for members of the authority is fixed. The Bill proposed that it be fixed by the Treasurer. The amendment proposes that it be fixed by the Governor in Council, and, more importantly, that when it is fixed by the Governor in Council it be published in the *Government Gazette* for all to see. The Opposition thinks it is fair enough and on that basis it supports the amendment.

Amendment agreed to; amended clause agreed to.

Clause 14

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

12. Clause 14, page 6, line 2, omit "or" (where secondly occurring).

13. Clause 14, page 6, line 3, omit paragraph (*c*).

14. Clause 14, page 6, line 12, omit "15" and insert "14".

Amendments agreed to; amended clause agreed to; clauses 15 to 20 agreed to.

Clause 21

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

15. Clause 21, line 18, omit "or permitted".

16. Clause 21, page 9, lines 9 and 10, omit sub-clause (5) and insert—

"(5) The Authority may enter into transaction or arrangement for the protection or enhancement of its investments.".

Hon. R. M. HALLAM (Western)—Amendment No. 15 removes a potential anomaly in drafting. As drafted, clause 21 (2) (*e*) provides:

> There must be paid into the fund . . . any other money required or permitted to be paid into the fund by or under any other act.

It is obviously nonsensical in at least one respect. If funds are permitted to be paid into the fund by any other Act, the Bill required they be paid into the fund! The Opposition was sure that was not what the government had in mind and the amendment overcomes that difficulty. Amendment No. 16 provides for hedging and the Opposition has no objection to that at all.

Amendments agreed to; amended clause agreed to.

Clause 22

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

17. Clause 22, line 19, omit "21" and insert "20".

Amendment agreed to; amended clause agreed to.

Clause 23

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

18. Clause 23, line 28, omit "24" and insert "23".

Amendment agreed to; amended clause agreed to.

Clause 24

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

19. Clause 24, line 3, after "may" insert "by notice published in the *Government Gazette*".

20. Clause 24, line 5, omit "23" and insert "22".

Hon. R. M. HALLAM (Western)—Amendment No. 19 is crucial. It requires that where the government decides to designate assets the proceeds of which shall, on sale, be directed to the proposed Victorian Debt Retirement Fund, that must be published in the *Government Gazette*. In my contribution to the second-reading debate I outlined the concern held by the Opposition that the designation of assets was just too open-ended; the government could choose simply to designate one asset and ignore several others. The government could not be held accountable even under the policy it is espousing.

The amendment requires the government to publish its decision to designate for sale any asset the proceeds of the sale of which will go to the fund. At least Parliament and the public in general will be aware of the government's decision and its policy will be nailed down to that extent. The Opposition considers the amendment important and is pleased the government has been prepared to include it in the Bill.

Amendments agreed to; amended clause agreed to; clause 25 agreed to.

Clause 26

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

'21. Clause 26, page 11, after line 11, insert—

(*a*) include a description of the sources of funds paid into the Debt Retirement Trust Account, indicating separately the amount of each relevant transaction;

(*b*) state the amount and nature of debt retired, including the face value and consideration (if any) and include a description of the instruments or arrangements evidencing that debt;

(*c*) state, separately in respect of each liability referred to in the definition of "State Debt" and in respect of each designated authority, the gross State Debt, the State financial assets and the State net debt for the Victorian budget sector.'

Hon. R. M. HALLAM (Western)—The amendment requires the information specified in the amendment to be included in the financial statements of the authority. Subclause (*b*) will enable readers to identify which debt is being retired and allow them also to assess the terms on which the authority has achieved the direction of the proceeds of the sale to the fund.

Subclause (*c*) overcomes one of the fundamental concerns of the Opposition with the Bill when it first was considered by the House. The amendment makes the Bill more meaningful and will create a law with some teeth, providing valuable information not just to Parliament but to the whole State. This fundamental amendment was sought by the Opposition.

Amendment agreed to; amended clause agreed to; clauses 27 and 28 agreed to.

New clause AA

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

22. Insert the following new clause to precede clause 25:

Quarterly reports

"AA. (1) The Authority must, in respect of each quarter ending on 30 September, 31 December and 31 March, prepare financial statements in respect of the quarter.

(2) Subject to this section, section 26 (3) (except paragraphs (*c*) and (*h*)) applies to each quarterly report as if it were an annual report.

(3) Financial statements for each quarter must be submitted by the Authority to the Treasurer within 1 month or, in the case of the December quarter, 2 months, after the end of the quarter.

(4) The Treasurer must, within 14 days after receiving financial statements under this section, cause a copy to be given to each member of the Legislative Assembly or Legislative Council who has advised the Treasurer in writing that he or she wishes to receive a copy of statements under this section.".

Hon. R. M. HALLAM (Western)—The new clause requires provision of a quarterly financial statement within one month or, in the case of the December quarter, two months after the end of the relevant quarter, and that within fourteen days of receiving a set of financial statements the Treasurer must give a copy to each member of Parliament who had requested such statements in writing. The amendment takes off the lid: the quarterly financial statements must be in the same form as the annual statements except that they need not be audited, or show gross or net debt or the financial assets; they will simply show the state of play. The Opposition considers this to be absolutely fundamental to the way the Bill could be designed to work.

Hon. ROSEMARY VARTY (Nunawading)—It is fair to say the WorkCare legislation taught honourable members the need for timely reporting. Now quarterly reporting is required under the WorkCare legislation and honourable members can see the situation. In a way the amendment will ensure similar provisions are included in the Bill, so one hopes what occurred under WorkCare will be prevented from recurring. As my colleague Mr Hallam said, the Opposition considers the provision forms a crucial element of the proposed legislation.

New clause agreed to.

New clause BB

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

23. Insert the following new clause to follow clause 28:

Regulations

"BB. (1) The Governor in Council may make regulations for or with respect to any matter which is required or permitted or necessary to be prescribed for carrying out or giving effect to this Act.

(2) Regulations under this Act may be disallowed in whole or part by resolution of either House of the Parliament in accordance with the requirements of section 6 (2) of the *Subordinate Legislation Act* 1962, which disallowance is deemed to be disallowance by the Parliament for the purposes of that Act."

Hon. R. M. HALLAM (Western)—The new clause inserts what the Opposition now describes as its "standard regulation-making power". It gives effect to the previous amendments but is placed there for an important reason. I do not need to canvass the arguments again as they have been put on record many times. However the provision provides a valuable protection mechanism for Parliament and for the people of Victoria in general.

New clause agreed to.

Reported to House with amendments.

Passed remaining stages.

STATE BANK (SUCCESSION OF COMMONWEALTH BANK) BILL

Second reading

Debate resumed from earlier this day; motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

Hon. JOAN COXSEDGE (Melbourne West)—I want to speak on this Bill because I believe it is possibly one of the most important pieces of legislation to come before the House. It is an issue of deep concern to my party and has caused a great deal of anguish among our membership. It is no secret that there is strong opposition to the sale of the State Bank in the party forums.

I have listened to what the Opposition had to say with a great deal of interest, but I am deeply troubled that although it is attacking the government for selling off the State Bank it seems as if the coalition has been persuaded by the same group of people—I believe Mr Hallam called them "key players"—who gave advice to the government. They are not therefore prepared to stop the sale for a range of ideological and economic reasons. Unlike me, they have got the numbers to do so if they wanted.

Hon. R. M. Hallam—It was not for ideological reasons but purely economics!

Hon. JOAN COXSEDGE—But there is a different side to the equation. Kenneth Davidson in an article in the *Age* of 22 November claimed that the figures as officially presented were wrong and he emphasised wrong and went into a lot of detail to back up his claim. I shall say a little more about that later.

We know that the sale is not due to any fundamental inadequacy in the bank's operation. Since it opened its doors in 1848 as a safe repository for the savings of ordinary working people, it has been one of Victoria's soundest institutions. It weathered two depressions. In the 1890s slump when twelve other banks closed their doors the State Bank continued trading and it survived the great depression of the

1930s without having to retrench any of its staff. In 1927 the bank introduced a bank-as-you-work scheme which prompted many Victorians to open savings accounts for the first time.

I remember as a kid at primary school—not quite as early as 1927—depositing my pennies—rarely any more than pennies—in a money box adorned with an acorn and oak tree for the school State Bank account. Like thousands of others it gave me an introduction to what the bank was all about. Its concern for its shareholders, that is the people of Victoria, was shown in 1931 when the bank voluntarily reduced its interest rates in order to provide cheap home loans because of the suffering caused by the depression. Some honourable members will remember the distinctive State Bank houses that sprang up all over the place. By 1955, 75 per cent of Victorians had deposited 260 million pounds in State Bank accounts.

When did things go sour? Not until 1985 when the bank departed from its traditional lending base to take full control of the merchant bank Tricontinental, which seemed to have a flair for lending to people who liked to go bankrupt.

Responsibility for the rot that stretches throughout our entire banking system rests with the promoters and the pushers of financial deregulation, especially the Federal Treasurer, Mr "a recession that we had to have because it will be good for us" Paul Keating.

I am not attacking deregulation from hindsight but like many others around Australia, inside and outside the Labor Party, we knew in advance what was likely to happen. We could see what was going to happen, and were fearful of the consequences, apart from the fact that it was alien to Labor Party philosophy. Many of us sounded warning bells with the hope that those pushing the monetarist barrow would listen.

I wrote about my concerns in a paper that was published in the *Sydney Morning Herald* in October 1986. Unfortunately, the *Age* declined to publish my article. Maybe it is symbolic but the headline—I had nothing to do with the choice of words—was, "It's my party, I'll cry if I want to". Amongst other warnings, I said:

> For instance, there are few economists in Australia, even within the "dries" of the Liberal Party, who would have floated the dollar into a highly unstable speculator's market, introduced a multitude of foreign banks and run such a program of extreme deregulation.

In another part of the article I said:

> We operate in a climate where financial wheeling and dealing is rewarded by tax lurks, whereas manufacture is severely disadvantaged and the local market is being progressively destroyed.
>
> This is the environment which is supposed to attract investment in our manufacturing industry. Instead, with local profits high and no curbs on overseas investments by our local capitalists, Australian money will keep on leaving the country for better opportunities elsewhere.
>
> This situation has been aptly described by Professor Ted Wheelwright as "leaving the door of the canary cage open in the hope that more birds will fly in than out".

I offered a range of practical suggestions to put the Federal government back on more traditional footing, but unfortunately there was no-one home.

As a consequence of its financial deregulation the Federal government has lost control of the money supply to the banks, which boosted the broad money supply growth to about 20 per cent for most of 1988–89—or about three times the level necessary to finance real economic growth—thanks to their idiotic lending policies.

Financial deregulation was certainly the undoing of the State Bank. Since deregulation Australia has accumulated the biggest foreign debt ever, most of it by corporate crooks. They would have to be the most corrupt group in living memory and they

have been aptly called, perhaps by Mr Baxter, the wreckers. Many of them have gone broke, as we know, but unfortunately they have taken a lot of other people with them.

Monetarist policies have not worked anywhere in the world, including Australia. The only winners in this situation are the greedy developers, land speculators and, unfortunately, arms dealers. Right at this moment government and failing private corporations are busily flogging off our assets in one of the biggest fire sales in Australia's history. That is the largest chunk ever to come into the global market. This is supposed to bring in money but, in fact, will enormously increase Australia's foreign debt and make us a poorer nation. I want to know what happens when we've got nothing left to sell.

The lethal combination of shonky business practices and inadequate government controls has brought Australia into such disrepute with overseas investors that legitimate business houses are becoming wary of investing in this country. I learnt that when I was overseas this year.

Adam Smith, who is often spoken about, was an eighteenth century Scottish economist and is known as the father of modern economics. He is used as an excuse for the excesses of the current crop of "greed is good" capitalists. However, even Adam Smith strongly believed in tight control of the banking system. I must say I find it rather ironic that the very people who have created the situation we are in are now supposed to be our saviours.

Like many others in the community, it worries me a great deal that we are selling off a perfectly sound bank while hanging on to the massive debt. I believe that in the minds of most Victorians the sale of the State Bank was necessitated by the losses of Tricontinental. I shall quote from an article by Kenneth Davidson in the *Age* of 22 November:

> The level of the bank's bad debts and non-performing loans, in addition to the Tricontinental bad debts, are irrelevant because they stay with Victoria and Victorian taxpayers irrespective of whether the sale goes ahead or not. The bank's debts are a red herring in so far as assessing whether the sale should go ahead.

As Mr Davidson states, Victoria will carry the Tricontinental debt burden whatever happens. Basically, the total State debt is approximately $30 billion and it will be increased by some 5 or 6 per cent. It is puzzling why all of a sudden Victoria must sell off one of its best assets to reduce its debt by a relatively marginal amount. Given the earning capacity of the bank, the picture is even more disturbing.

In the same article of 22 November, Kenneth Davidson states that, on a pessimistic assumption, the State Bank could still generate $160 million profit annually. He pointed out that the overall performance of the bank could easily meet the interest bill created by the Tricontinental debt. It is a pity his words were not heeded rather than the words of the ideologues of economic rationalism, which I reckon have very little to do with rationalism.

It also bothers me that once an important asset like the State Bank is sold it is lost for all time. The decision is irreversible because we will never be able to buy it back. We should also remember that State-owned banks play a regulatory role in implementing government policy, and its demise will remove that important moderating influence on the Australian financial scene. In recent weeks much has been said and written about the sale of our bank and it is rather a pity that the bulk of that material was not around earlier to give the community a better chance of debating the issues and considering other options that were certainly available but never properly explored.

Unfortunately, our country cousins will be particularly hard hit, and Mr Baxter briefly touched on that point. Many country towns have both Commonwealth and State

banks and the inevitable closure of State Bank branches will result in unemployment flowing into communities that are already stressed.

The difficulties faced by the State Bank are shared by all banks; they are not unique.

Hon. M. A. Birrell—What are you going to do about it?

Hon. JOAN COXSEDGE—What are you going to do about it? Private banks are managing to write off bad debts and trade out of their difficulties. Only a few days ago the ANZ Bank announced it had $2.7 billion worth of non-performing loans, but I have not heard that that bank is to be sold. Obviously that is not being contemplated because it could get them nowhere.

Therefore we have to see this sale as part of a wider move to enable the Federal government to clear the way for the privatisation of the Commonwealth Bank. Not many people seem to realise that this deal requires changes to legislation that will alter the whole nature of the Commonwealth Bank. It will move from being a statutory corporation to a stockholding body, thus making it possible for all its assets to be sold at a later date giving private stockholders an ever increasing say in the bank's operations.

I get the feeling many Victorians believed the sale of the State Bank was a fait accompli and was all over bar the shouting before it actually was over. They were angry but felt utterly powerless. I have yet to meet any person in Victoria who supports the sale.

Yesterday Australians were told by some whiz-kid economists measuring God knows what on some scale or other that Australia is officially in recession. As if we need to be told! It is obvious to anyone with half a brain that people are hurting badly and are demoralised. The part that counts is the effect on people, regardless of whether a handful of economists in Canberra play around with some figures to come up with an assessment to suit their monetarist masters.

A study carried out between May 1985 and October 1986 by Professor Michael Pusey of the University of New South Wales of 215 senior executive officers is of interest and concern to people of my political persuasion. The public servants came from Canberra and the Federal government's regional officers from four different States. They belonged to three different groups of departments. The results were quite disturbing because these people wield a lot of power. Nearly all approved of Keating's financial deregulation and two-thirds wanted even more. This bunch of *Yes, Minister*-types favour the law of the jungle with complete deregulation of the labour market. Some 40 per cent believed there should be more individual initiative and less State provision, which I find incredible because Australia has about the lowest level of social welfare spending among countries in the Organisation for Economic Cooperation and Development.

It is that type of thinking in the upper echelons of the Commonwealth Public Service, based on the idea that the best social and material outcomes are achieved when the broadest possible range of human activities are motivated by personal greed modified by some competition, that has got us into this unholy mess. At a time when many European countries are reregulating sections of their economies, Australia is going down a different road by selling off the farm, the family silver and anything else the government can lay its mitts on.

Rather than looking at every issue through the eyes of the high priests of the new economic religion, which can be summed up as a combination of free trade, deregulation and privatisation, although, sadly, we seem to have lost out on this one, I look forward to the day when sanity and commonsense will prevail and we learn that selling off our State assets is not the way to go.

Hon. ROSEMARY VARTY (Nunawading)—I shall be interested to see whether Mrs Coxsedge crosses the floor and puts into practice what she is preaching.

State Bank Victoria as we know it was born of wasteful and profligate spending by government. It has been tortured and finally murdered by this Labor government. When the political, social and economic history of the 1980s is written, that fact will be put into perspective and the echoes of this action, an act of financial, social and political immorality, will reverberate down the years.

With the birth in 1842 of the forerunner of the State Savings Bank in an amendment to laws relating to the Savings Bank of New South Wales, the Savings Bank of Port Phillip—the Port Phillip Savings Bank—opened with a staff of two, the accountant and a messenger. On 1 July 1851 Victoria became a separate State. In 1852 the Savings Bank of Port Phillip Laws Amendment was introduced into Parliament but withdrawn at the second-reading stage and referred to a Select Committee. Following the report of that committee the Savings Bank Act 1853 repealed the previous Savings Bank Acts up to 1840, and it was further amended in 1865. This is where the tricky bits start.

A board of honorary commissioners was appointed by the Governor in Council—by the Premier and the Cabinet of the day—and they exercised complete control of the funds of the bank. This is a story we have heard before. Changes to the State Bank in 1896 were preceded by a Royal Commission. Its stated objective was to inquire into the question of establishing a State Bank and to arrive at recommendations that would satisfy both Houses of Parliament.

The Royal Commission reported in 1895 that the Commissioners Savings Bank had followed an unsafe policy of investment. The other bank, the Post Office Savings Bank, had, as recorded by Michael Cannon in his book *The Land Boomers:*

> handed all its depositors' money to successive State Treasurers, who had blithely used most of it on current government expenditure, resulting in a 'large accumulated deficit'.

That could have been written in the last year or two; nothing has changed. The death of the bank seems destined to bring about the end of an era of State-backed savings banks. I have been referring to the birth of the bank, and the death of the bank, but what about the life of that bank during the 148 years from 1842 to 1990? What were the social, political and economic issues of that period, covering as it does the most important period of this State's history?

As I said, in 1842 the Port Phillip Savings Bank opened. A number of things occurred in this State during that year. It was the year of the first public execution in Melbourne, the hanging of two male Tasmanian Aborigines involved in the murder of two whalers; Truganini and two other females were acquitted. In August Melbourne was officially incorporated as a town.

The bank opened its first branch in Portland in 1848 and the electors in the Port Phillip district, in protest against an absentee government in Sydney, refused to nominate representatives to the New South Wales Legislative Council. They elected Earl Grey as the member for Melbourne and Richard Goldsborough founded a wool auction in Melbourne. The first sale of land occurred in Colac and the Australian Mutual Provident Society was founded.

In 1851 Victoria separated from the State of New South Wales. Gold was found in a number of districts in Ballarat, Bendigo and even Warrandyte, and the discovery of gold sparked off a boom period. Approximately 25 million pounds worth of gold was mined in a few years. The banks were full of gold and people had money to burn. Land speculation began.

In 1858 the head office of the bank opened on the corner of Market Street and Flinders Lane and the Welcome Stranger nugget, containing 2195 ounces of pure gold, was found at Bakery Hill in Ballarat. Banks opened, and the National Bank of Australasia opened. What was then called the Lying-in Hospital, which subsequently became the Royal Women's Hospital, opened at that time. The Carlton Brewery was established in Melbourne. St Patrick's Cathedral was built. The Melbourne Club was built and, for all those football devotees, the first football match was held and the Melbourne Football Club was formed.

Hon. T. C. THEOPHANOUS (Jika Jika)—On a point of order, Mr President, although all of this history is extremely interesting to honourable members, and I have attempted to remain tolerant of it, I fail to understand how history and these extraneous factors have anything to do with the sale of the State Bank. I ask you to rule that the member restrict her remarks to the Bill before us.

Hon. ROSEMARY VARTY (Nunawading)—On the point of order, Mr President, what I am doing on this momentous day in the history of this State is setting in context the importance of the decision that we are being asked to make today about the State Bank.

The PRESIDENT—Order! I appreciate what the honourable member is seeking to do. I take it she was seeking to put the decision that is now being made in the context of the history of the bank. She is entitled to do that, providing she does not give an entire history of Melbourne that becomes too remote from the subject. Mrs Varty may proceed with her historical analysis but she should confine it substantially to the history of the bank leading up to this decision.

Hon. ROSEMARY VARTY—Thank you for your ruling, Mr President. I am seeking as well to show how inextricably linked the history of the bank is with what has happened recently in this State.

In 1865 the Savings Bank Act was amended to appoint an honorary board of commissioners by Governor in Council and that board had almost unlimited power as unpaid professional commissioners. They enjoyed great political patronage, which was an absolute recipe for disaster. In 1880 the land boom began and land mania was financed through building societies and the floating of estate companies and lands banks. By 1890 the savings banks were in trouble. There was a run on the Melbourne Savings Bank, which was one of the forerunners of our State Bank, and 3500 accounts were closed. Despite 1893 being a time of great hardship when a number of banks closed, some of them never to reopen, the forerunner of the State Bank remained open.

In 1894, after it was swept to power, the Turner government moved to reform the Commissioners Savings Bank because of problems caused by political patronage. As a result legislation was introduced, which was held up by the Legislative Council. Premier Turner ordered another Royal Commission into the operations of the bank and as a result introduced legislation that mirrored what is now our savings bank legislation. As one would expect, the debate on the establishment of the bank was protracted. It is interesting to note that the tone of debate has changed very little over the years, which can be seen in volume 84 of *Hansard* for 1896. At that time members of this House were, as we are now, making a momentous decision. The Honourable W. McCulloch made some strong statements when talking about clause 3 of that Bill, which set out its objects.

Hon. R. A. Mackenzie—Mr President, I direct your attention to the state of the House.

Quorum formed.

Hon. ROSEMARY VARTY—As one reads through the original Savings Bank Act, which was the forerunner of the State Bank Act, one sees that the most critical element of it was that the government was to guarantee the bank. Because of the problems caused by the bank crashes in the 1890s the Royal Commission believed it was essential for the government to take on that role.

Over the next eighteen years or so the bank Act was amended a number of times, but the government's guarantee of the bank remained. Other players entered the field when, in 1912, the Commonwealth Bank opened its doors. On 24 September 1912 the Commissioners Savings Bank became the State Savings Bank of Victoria, a name we all recognise. The new bank introduced a school bank scheme run by the Penny Savings Bank Department, which we all remember. Women were employed in the bank for the first time during the first world war when the men went away to war. After the war ended and the world began to count the cost the State Savings Bank of Victoria provided home loans for people who did not have much money, establishing the War Service Homes Department and the Credit Foncier.

As it did in the 1890s, the bank survived our second economic crash in the 1930s. We all remember well stories of men being out of work and being paid "susso" for work on such projects as building the Yarra Boulevard. At that time the bank reduced its interest rates because of the responsibility it acknowledged it had to the community; and it began lending again in 1934.

From 1939 to 1945 the world was again plunged into war. After the war the bank did not become involved in wider commercial operations but remained only a savings bank until 1958, when it first offered cheque accounts to customers. Its operations remained unchanged through the introduction of decimal currency.

Then in 1982 came the advent of the Labor government! In 1985 the bank took over Tricontinental which is when the problems started. Despite what Mrs Coxsedge claimed, the corporate cowboys have not caused the problems of either the private banking system or the public banking system. As Will Bailey said in an article in the *Business Australian* of 29 November 1990:

> The ANZ result shows that it is small to medium business that is leading Victoria into insolvency, not the highly leveraged entrepreneurial collapses.

That gives the lie to the specious argument that the problems of the bank have been caused by corporate cowboys. The problems of the bank have been caused by the policy dictated to it by this government and by the government's financial policies. The problems have been caused by government policies that have doomed small business to destruction. The forerunner of the State Bank began with a Royal Commission and the bank's operations should end with a Royal Commission to discover all that has happened.

The briefings the Opposition has received make it clear that the actions of this government have caused a crisis of confidence in the State's major institutions, particularly its financial institutions, the operations of which are interwoven. The government has returned Victoria to the days of the cover-ups of the 1880s. If we were to keep the bank we would be left with nothing but a shell. Indeed some people have estimated that a capital injection of $4 billion would be needed to widen the capital base of the bank.

The Commonwealth Bank is paying far too much for the State Bank. If it were offered on the open market it would not realise anywhere near the price the Commonwealth Bank will pay for it, particularly in this current economic downturn. In return the Commonwealth Bank will have access to a network of branches, a good customer base and a similar bank culture. The cultures of private sector banks and public sector

banks are very different, and the Commonwealth Bank is well aware of the similar culture it shares with the State Bank.

If the State Bank were to be sold to the private sector, a number of very important criteria would have to be met, whether the bank were floated or sold to some other entity. Firstly, the bank would have to have assets of good quality—and it does not have those. It would need to be able to build on its asset reserves—and the bank cannot do that!

You need to be able to broaden your capital base. The bank has only one shareholder—the government—and real capital of only about $40 million. As well you need a consistent profit base and the bank does not have that. It is no good for the government to argue that the public authority dividend paid to government is profit; if it were profit it would be retained in the entity in the way of capital accretion to broaden the capital base—that is not occurring. If you had consistent profits in the private sector you would have dividends that were fully franked—that cannot occur.

If we could all go back eighteen months and all knew what we know now perhaps the Opposition could have put pressure on the government to take some action that would have saved the bank. However, as is common with the government, we have been unable to obtain the necessary information until now, when it is too late. Eighteen months ago there would have been a range of feasible options that could have been put in place and we would not be losing the bank.

Once the government knew there was a problem it should have had in place a risk management strategy. It did not do that. There should have been closer oversight of what was happening in Tricontinental. If the information had been flowing through correctly there should have been people able to interpret the information being given to the government. I suspect that was the real reason behind what has happened: the information flow was there, the signs were there, if only there had been someone in Treasury able to read the signals.

All of this has brought about a decline in confidence in the State of Victoria and that decline extends overseas. Overseas lenders are now not looking just at Australia—which was the way they used to look at lending money in this area—but are now looking at Australia on a State-by-State basis. Victoria is losing credibility and is not a favoured State in terms of investment. On a daily basis the State Bank requires very large amounts of short-term money in the course of its business. When one has a crisis of confidence those lines of credit tend to dry up, are reduced or the interest rate is higher. That sort of thing is beginning to happen.

There are those people who say, on the basis of a number of points, that we should retain the bank. They say it should be retained to maintain competition in Victorian banking. Competition in banking assumes that each of the players in the field retains its customer base and continues with the same percentage of the market. I do not think it is any secret that that is not occurring with the State Bank. I do not think it is any secret that the other private banks are going out of their way to attract customers away from the State Bank; competition is being reduced by a form of natural attrition in any case because the private sector is able to offer more certainty than the current government system.

It is argued that the State Bank has an important and long standing function of assisting Victorians at all levels of income with home ownership through the vicissitudes of economic cycles. The Opposition would agree that it is a very proper role for a government-owned enterprise but it assumes the financial base of the entity remains viable and that people are continuing to deposit their money in the State Bank. If, through a crisis of confidence, that does not occur the bank is not able to

provide that community service obligation. I hope the Commonwealth Bank will continue that community service obligation.

There is one point on which the Opposition would agree with those who want to keep the bank—keeping the head office in Melbourne. I am concerned that once the head office of the fifth largest bank in Australia is moved to Sydney, Sydney will be the beneficiary and Victoria will be poorer. If the bank is sold the head office will be moved to Sydney.

One of the other arguments used by people wanting the bank kept is preserving in perpetuity for the people of Victoria the stream of bank profits. That argument assumes there is a stream of profits. The best advice available to the Opposition is that it will be many years before the bank returns to profitability, even if one could quarantine all the current known bad debts of the State Bank and work out and quarantine the likely consequences of any potential bad debts. The reality is that under the current bank structure and in the current climate the bank is unlikely to return to profitability in the foreseeable future.

The argument also assumes the government would stop requiring the bank to pay the public authority dividend and the public authority contribution. There is no way the government would do that because they are significant elements of the revenue collecting function of the government. There is no way one could get the government to say, "We will let the bank operate; we will not take the public authority dividend and the public authority contribution from you; we will let you broaden your capital base". That has never happened in Victoria and the Opposition has not heard one word from the government of a possibility of it happening with any of the statutory authorities that currently pay public authority dividends or public authority contributions. It would be a precedent if that were to begin now.

In terms of the retirement of debt, we have heard Mr Hallam go through the exercise of what will happen to the proceeds of the sale and the Opposition has a real concern about that situation. Regarding the option put forward to privatise the State Bank, that issue was canvassed extensively in the discussions the Opposition had, not only with those—as Mrs Coxsedge tries to say—who were interested parties in terms of involvement within the immediate financial network, but with other experienced and professional people who were able to look at it from a wider perspective to provide an accurate assessment of that possibility. It is just not on because of the criteria I pointed out were needed to be able to float or privatise the State Bank.

Today has to be one of the blackest days in the history of Victoria. The government will rue the day it brought into this House the Bill to sell the State Bank. I brought some roses into the Chamber today and I guess if it had been any day other than the last day of the sessional period either Mr President or the Clerks may have become a little agitated and considered it was inappropriate.

Hon. B. A. Chamberlain—It would seem they have no soul.

Hon. ROSEMARY VARTY—The roses are affected on the outside by thrips, but I guess thrips signify the cancer of the government eating away at the heart of this State.

However, over time, even a rose can recover, and one would hope that this State can recover from the action being taken today, the echoes of which will be heard in this State for a very long time. It is with great reluctance that we have come to the conclusion that we can do nothing but agree to the passage of the Bill.

Hon. R. A. MACKENZIE (Geelong)—I am sure that not one single person in this Chamber relishes this day. As other honourable members have said, it is a black day. Victoria has had a few black days over the years. We will always remember and have

on record Black Friday of 1939 and Ash Wednesday of 1983 but I guess now we will also always remember 30 November 1990 as being another black day—"Bank Fire Sale Day". That is how Victorians will always remember this day because we are seeing the demise of 148 years of our history. One hardly knows where to start. I have deviated somewhat from my original speech notes after listening to the contribution of Mr Hallam. I intended to call the opposition parties "wimps", but I will not do that now because I felt Mr Hallam made one of the best speeches I have heard in this House since I have been a member. Mr Hallam was saying the the opposition parties had everything to gain with regard to public popularity and public support by blocking the Bill. Politically it must have been a big temptation to do that, and it seemed from what Mr Hallam was saying that, to their credit, they carried out a thorough investigation of the pros and cons of the sale.

I appreciate the fact that they have had an opportunity of doing that, and from what Mr Hallam and other honourable members have said it is quite obvious that, even though they are a private enterprise party—and I have heard them talk about selling the bank at the height of their fervour at different times—they have never really been serious about it. They have talked about and said they would support the sale of the State Insurance Office and so on.

When one considers what the State Bank has survived—two depressions and two world wars—one must also remember that it survived 27 years of conservative government. It seems terribly ironic that now a Labor government is in the process of bringing about the end of this institution and the end of an era in Victoria. Listening to the remarks of the opposition parties, and especially Mr Hallam, made me realise that there are schools of thought backed up by considerable expertise which support the government's decision, no matter how reluctantly the government has come to that decision, but there is also a degree of expertise to which the public may not have access which says quite the opposite, and later I will put forward the argument against the sale of the State Bank.

Although I accept the fact that the opposition parties are voting with the government very reluctantly, we should all think about the people out there whom we represent. It is their bank we are selling on their behalf. Admittedly we are their representatives, but it is their bank. What chance have they had to hear the arguments the Opposition has heard and the government members have heard? I will argue that we should delay passage of the Bill until such time as the people out in the community know the arguments, because up until a week ago the Opposition was feeling as the public feels now; it had not made up its mind.

They have the right to hear the arguments. It is no good Mr Hallam, Mrs Varty and other opposition speakers saying, "We have had expert advice" from some unnamed and some named people. The public should be able to hear that side of it and should have access to that information. That is their right and I will be arguing for the adjournment of the debate so that the people can have their minds put at rest in the same way as the opposition parties have. Like any argument one hears, one really needs to get the two opposing forces together and let them counteract each other.

Hon. B. A. Chamberlain—We did!

Hon. R. A. MACKENZIE—I know you did but I didn't and I don't know what the government did, and the people of Victoria certainly didn't. I am calling for a motion to be put before the House that we adjourn the debate for that reason. That is one reason.

The second reason, which I will explain later, is that yesterday I received a letter from a barrister who does not wish to be named in Parliament but who is very much into

constitutional law, and he has serious doubts on two matters. One is the validity of the Commonwealth legislation and the other is that the government, under the State Bank Act 1988, has been acting illegally. It had no right to enter into any negotiations whatsoever on behalf of the State Bank and the people of Victoria before it had the permission of Parliament, and what we are doing today is the reverse of what we should have done. We are actually legitimising something that was done illegally, and the government should have obtained permission from Parliament first before it approached the Federal government about the sale of the bank.

These arguments have been put to the Senate. The Senate has put the Commonwealth complementary legislation before its Standing Committee on Finance and Public Administration, and a hearing will be held next Friday. I am suggesting that if the Senate is swayed by those opinions and is going to that extent, we are being a little hasty in passing the Bill today. That is why I will not only be opposing the Bill but asking that debate be adjourned.

As I said, this is a day we will all wish was not occurring. I do not think any of the players in it are getting much enjoyment from it and there are some very strong reasons why we should be opposing the sale. There is no doubt that the sale of the State Bank is only part of a very large game.

I have no doubt that we have been sucked in by the powers in Canberra. I can just imagine the look on Mr Keating's face when he was first approached by Mr White and Mr Roper to have discussions in regard to the government's sale of the State Bank. I'll bet he said, "Come right in". Here was a golden opportunity for the Federal Treasurer to bring about the privatisation idea that he had. He knew the sale of the bank would open the door for what he intended to do, which was against so many Labor Party principles: to open the door for privatisation and the partial selling off of the Commonwealth Bank. As the House knows, 30 per cent of that bank will be sold.

There are some strong arguments against the sale of the State Bank. We have heard arguments for the sale in the Minister's second-reading speech and also from the Opposition. I believe I ought to place on record—because if I do not do it, it will not be done—the arguments for the retention of the State Bank. Those arguments should be put before the House. One of the reasons is that there is a very strong view among the general public that the bank should be retained. A survey was conducted that indicated that more than 63 per cent of Victoria's population were in favour of retaining the State Bank. Therefore there is a general feeling among the general public——

Hon. T. C. Theophanous—I'm surprised it's not higher.

Hon. R. A. MACKENZIE—I am, too. I'm glad you raised that because I'm surprised it's not higher. I must say that I am also quite surprised that there has not been a bigger furore over this than there has been. I do not know the reason for that. I suppose people are shell-shocked. Eight or ten years ago the Labor Party in opposition brought down the government of the day over a $4 million land deal. We are now talking about 1000 times that—a $4 billion loss throughout the State—and people do not really raise an eyebrow about it. I suppose it is just that they cannot believe the enormity of the loss. I know I just could not believe the bank was actually to be sold.

If one examines the various articles that have appeared in the daily newspapers one notes there is a high degree of expertise from people like Kenneth Davidson, who wrote, "It is not too late to call Keating's bluff" in an article of 20 October 1990. He has taken note of what Professor Davis has to say, and he does not believe that is the only choice we have.

There have also been letters from members of the public. A report released on 29 October from Dr Clive Beed and Dr Robert Wilson from the Melbourne University's department of economics indicates that their research—and this has been verified by bank officials as well—reveals that in order to avoid the accumulation of branches we will lose 207 branches of the State Bank where Commonwealth and State Bank branches are in the same street, resulting in a duplication of services. That could well lead to the loss of 4000 jobs.

Nothing has been said to indicate what the cost of that will be. I am not talking about the monetary cost but about the human and socioeconomic costs. If we want to talk about the economic cost we have a prime example of what is happening in the transport sector where an executive on a salary of $70 000 a year comes to work every day, plays with his computer and goes home again because he does not have a job and the Ministry of Transport does not have enough money to pay him off.

When one considers that we are talking about the loss of 4000 jobs in this case, one wonders where the money is coming from for all the redundancy packages. It is not possible to get rid of 4000 people by natural attrition, and it is all the associated labour and work force that goes along with banking as well; it does not involve just the bank employees.

There has been very strong reaction in the press. I must admit, as Mr Theophanous said, that it is not as strong as one would expect—certainly it is not as strong as I expected it to be—but even so, the bottom line is that having sold the State Bank we will still have to pay another $700 million to sell out, to sell our own bank! This is what the public out there finds very hard to understand. Mr Hallam took the House in some detail through the reasons why that occurred. It was the first time I ever heard those reasons, but, again, they should be made public.

Another point is that when all these options were being voiced Professor Davis wrote to the Premier about his plan to save the State Bank. I think most of us received a copy of it in the mail and have had a chance to look at it, so I do not intend to read from it at length. The principal author, Kevin Davis, is Professor of Finance, Department of Accounting and Business Law at the University of Melbourne. He was also consultant to the Campbell inquiry into the Australian financial system. Professor Davis is obviously a man who understands and is in a position to make a statement such as he has. He did not do it on his own; he used many of his associates; and they did not just produce the plan overnight but spent four to five weeks on it.

Hon. T. C. Theophanous—It just shows that even professors can be wrong.

Hon. R. A. MACKENZIE—That may be so, but what really sticks in my craw is the fact that when you are going to embark upon something totally against your principles as a Labor Party member, totally against the party policy, totally against everything that the Labor Party stood for, I should think you would at least jump up and look at what Professor Davis said.

Hon. T. C. Theophanous—I did an extensive analysis of it.

Hon. R. A. MACKENZIE—We'll deal with that in a minute. You would think the Premier would have at least invited Professor Davis up to discuss the plan with her adviser or at least to have had the courtesy of acknowledging that she had received his letter. He did not even get the courtesy of a reply. When someone like Professor Davis offers an alternative you would think that at least they would tell him they had read the report, but to date the professor has not even received a reply.

Mr Theophanous made a speech earlier in which he made a suggestion that was panned by everyone who heard it; we had a lightweight backbencher coming in and

offering an opinion supposedly on behalf of the government, which was really laughable. That is one of the things I find very hard to understand and I am sure the public also finds it hard to understand. One would think that in this sort of situation the government would be grasping at straws and, if there were a chance to save the bank, that the government would be prepared to consider every possibility and search for an alternative. But, no, that has not occurred. Everyone here has been prepared to accept the proposition that the bank must be sold.

In the summary of his paper—I think this should be placed on the record—Professor Davis says:

1. The sale of the State Bank of Victoria to any buyer is not financially necessary.

2. The current proposed sale to the Commonwealth Bank is not a good deal financially for Victoria. It understates the long run value of the bank to Victoria by as much as $2700 million. Other adverse effects of the sale would include:

   — reduction in the level of banking competition;

   — removal of a major State asset and an important means to assist Victorian home buyers; and

   — the undermining of the financial industry infrastructure now located in Melbourne.

3. The State Bank of Victoria can be retained, and continue to operate in its own right as a publicly owned bank.

A plan to achieve this aim and resolve the Tricontinental problem has been developed and essentially involves:

   — complete separation of Tricontinental from the bank;

   — no extra State borrowings will be needed to supply capital for the bank;

   — future bank earnings will offset Tricontinental losses and provide future revenue for essential public services (or opportunities for tax reductions) for Victoria.

The plan is not inconsistent with some future direct equity participation by Victorians if desired.

4. The Victorian government should urgently reconsider its current plan to sell the bank, particularly in light of the major adverse impact on future State finances that would follow if the sale proceeds.

The report contains a very interesting analogy. Professor Davis says that we must look at the sale of the State Bank in the same way that a State government or a conservation body would look at a geophysical outcrop—perhaps the Grampians—and assess its importance. Conservationists and, hopefully, governments would look at it and say, "That must be conserved because it is of value to the community. Its aesthetic and conservation value is enormous". A mining company could look at that geophysical outcrop and see the valuable minerals in it; they would see a totally different value in that geophysical outcrop. They would look at it in a totally different way. We must look at this bank sale in a totally different way.

All the decisions are not based on what a professor of economics and accountants may tell us because other values are involved. We are not talking about monetary values and paper money but about many other values. We are talking about the values that Victorians have enjoyed from the State Bank over a long period. We are talking about the values that the State Bank offered to people during the depression when it extended the time on their loans so they could stay on their farms and in their homes. How can you put that on paper? Accountants would say that is bad business practice and you cannot do it. You cannot put that value on paper and that is why Victorians are concerned, because there is more to this bank than the money it owes!

The other values are just as important especially in this day and age when we need trust; we must allow the battler to go to that bank and get a loan for his house. In its 148 years the State Bank record has been just that; it has been the bank of the people, the bank of the little man. That is how it started because there were no banks for

ordinary working people in those days. People had to keep their money under the floorboards or in their socks. That is why it started.

When the shepherds came from the country areas to spend their yearly pay cheques Governor La Trobe and other well-meaning citizens in Melbourne set up the savings banks so the workers could have somewhere safe to place their money. To encourage them not to spend it all at once and so that they might earn a little interest, a savings institution was set up. The workers could put some money aside for a rainy day. These are the values that will be lost; these are the values we are about to get rid of.

We should think seriously about the step we are taking. Have we been sent down an irreversible track? No-one knows. Mr Hallam is convinced that is so, but I am not convinced. It may appear that way but let us know for sure. What we are about to embark upon is one of the most serious steps this Parliament has taken in 100 years. Let us be sure!

This week the House has debated the Bill dealing with mineral resources; we have said, "We will let it hang around for two years, we will get public consultation and make sure it is right. This is the biggest change to the Mining Act since the 1890s". That is what good legislation is all about. We do not need to make legislation that is bad or which will not work. It should not adversely affect members of the public. We have said, "We will allow that legislation to go through the process that probably very little legislation has gone through before".

This Bill is of great importance and magnitude and will have a devastating effect on the community, yet what do we do? We put it through Parliament like the other hundred Bills that have gone through this sessional period. For heaven's sake, can we not make sure?

It is not too late to have an inquiry, as has been asked for by the *Age*, before we pass this Bill. Let us hear what the Senate Committee says about the Commonwealth complementary legislation. Is this Bill unconstitutional? We will look stupid if it is found to be unconstitutional because then this piece of legislation will not be worth a bumper, and we will be back here in January trying to sort out the mess.

Why can we not wait even if it is for only two or three weeks? Let us have an inquiry. It would not take very long to establish and I am sure that the trade union movement or the *Age* or even the Victorian Chamber of Commerce would sponsor the inquiry. As the *Age* has said, let us get someone with expertise who is acceptable to the government, the Opposition and the public generally to hold an inquiry. Let us know for sure. I would like to be proved wrong, in some ways, because I do not want to have this on my conscience. I am sure Mrs Varty, Mr Hallam and honourable members on all sides of the House want to know that what they are doing is correct.

I know that otherwise there will always be that lingering doubt because even today a facsimile message arrived from Professor Davis. He is overseas; he has again examined the figures and had further discussions with many people. I have seen today's message and he again says that he is quite convinced that what he has said is correct. He has reconsidered the countering arguments put to him.

Let us hear the people that Mr Hallam and Opposition members have spoken to; let us hear them put the issues and we can debate them. Let us know in our hearts that we are right. Let the people of Victoria know through a public inquiry that this is to be the case. The Bill is too serious a matter to be put through this place as we are handling it today. We are talking about a 148-year-old institution.

I will be strongly arguing that we delay the passage of the Bill. I put to the House some of the points outlined in Professor Davis's document in a section entitled, "Can the State Bank be saved?". I shall list the elements of Professor Davis's plan:

The essential elements of the plan are:

1. Complete organisational separation of Tricontinental from the bank. Tricontinental becomes a separate entity, the responsibility of the Victorian Treasury. This has to happen anyway under the plan to sell the SBV, as no buyer wants Tricontinental.

2. The present loan of $2353 million from the State Bank to Tricontinental is guaranteed by the Victorian government. This means that the $23 391 million total asset portfolio of the State Bank is more secure than that of most other banks and the State Bank is solvent and profitable.

Hon. Rosemary Varty—We would argue with that.

Hon. R. A. MACKENZIE—It continues:

3. Once clear of the problems of Tricontinental, the State Bank can be expected to earn a real net profit before tax of around 1.05 per cent on its total asset portfolio. In real 1990 dollars, this stream of income for the people of Victoria would be of the order of $250 million in 1991 growing to more than $300 million by the year 2000.

Hon. Rosemary Varty—It has never made that amount.

Hon. R. A. MACKENZIE—It further states:

4. The Victorian Treasury does not need to make any extra borrowing to provide capital for the bank. The State Bank would retain a share of its annual profits to maintain a capital asset ratio of more than 9 per cent, a significant margin above Reserve Bank requirements of 8 per cent.

5. The annual flow of payments from the bank to the people of Victoria by way of dividends and payments in lieu of taxation would augment State revenues sufficiently to allow Treasury to pay the bank a reasonable rate of interest on the Tricontinental borrowing and to pay back the loan over the next nine years as Tricontinental is wound up.

I seek leave to have incorporated in *Hansard* a table containing figures prepared by the financial advisers to the Save Our State Bank Committee. I have spoken to *Hansard* and the Leaders of the House.

Leave granted; table as follows:

Victorian Government's Net Financial Position

	A Sell Bank $ million	B Retain Bank $ million
Receipts and Other Offsets		
1. Sale Price of Bank	1 600	—
2. Commonwealth taxation compensation	413	—
3. Tricontinental "good" assets	1 200	1 200
4. Profits of Bank	—	2 623
Total Receipts	3 213	3 823

Less Costs and Liabilities Assumed		
1. Support agreements to Bank	1 138	1 138
2. Tricontinental borrowings from Bank	2 353	2 353
3. Other Tricontinental borrowings	241	241
4. Other Tricontinental liabilities	62	62
5. Cost of buying Tricontinental from Bank	194	—
Total costs and liabilities assumed	3 988	3 794
Net Position of Victorian Treasury	(775)	29

Conclusion:

On these figures the Treasury is $804 million better off if the Bank is retained. These estimates do not include the substantial losses to government receipts on payroll tax, fid and other receipts from the loss of jobs and the removal of business out of Victoria if the Bank is sold.

21 November 1990

Hon. R. A. MACKENZIE—The table indicates the government's net financial position. It has two columns—A, if the bank were sold and B, if the bank were retained. The table is self-explanatory. It sets out in the receipts section the sale price of the bank, the Commonwealth government taxation compensation, the good assets of Tricontinental and the bank's profits in future years. The table then sets out the liabilities and at the bottom indicates that if the bank is sold the government will lose $775 million. Other honourable members have referred to that figure. Column B indicates the position if the bank is retained—its estimated profit, its remaining good assets, and concludes that after the removal of Tricontinental debts, the net figure for the Treasury is $29 million.

Hon. Rosemary Varty—Over what period?

Hon. R. A. MACKENZIE—I cannot explain the method of calculation as well as I should. I was told that economists by using formulas can calculate the prospective profit of the bank.

Hon. Rosemary Varty—It is a discount rate, but it has to be over time.

Hon. R. A. MACKENZIE—It refers to a nine-year period. The next matter I refer to is a serious constitutional matter. I received a letter yesterday from a member of the bar who has considerable constitutional expertise, but who does not wish to be named for professional reasons. I would like to inform the House who this person is, but I respect his right to anonymity. The letter states:

It is by no means clear that under the Constitution the Commonwealth has legislative power——

Hon. C. F. VAN BUREN (Eumemmerring)—On a point of order, Mr President, Mr Mackenzie is quoting from a letter and under Standing Orders he should indicate the source.

The PRESIDENT—Order! Mr Van Buren makes a valid point. When one is quoting from a document one is normally required to identify the source upon request. In this case Mr Mackenzie has given reasons why he does not wish to identify the person. He has identified the source to some extent because he has said the writer is a prominent member of the bar and a constitutional expert, and that the letter is dated yesterday. Mr Mackenzie has also said that the writer does not wish to be named. Mr Mackenzie has shown me this letter and I am able to say it is a genuine letter from a well-known member of the bar. Perhaps if Mr Mackenzie is willing to identify the name of the writer privately to Mr Van Buren he could continue.

Hon. C. F. VAN BUREN—I accept your explanation, Mr President.

Hon. R. A. MACKENZIE (Geelong)—I understand that reading the letter into the record in this way is not as satisfactory as identifying the person.

The PRESIDENT—Order! Mr Mackenzie may give his assurance that it is a genuine letter from a well-known constitutional lawyer.

Hon. R. A. MACKENZIE—I give that personal assurance to the House. The letter reads:

> It is by no means clear that under the Constitution the Commonwealth has legislative power to take over the SBV even if the Victorian government and Parliament agree. The relevant section of the Constitution is section 51 (xiii). This gives the Commonwealth general power to make laws on banking but expressly excludes State banking carried on within the borders of the State. The High Court has held this to mean banking carried on by the State as a banker, not as a customer. This is exactly the function of the SBV.
>
> The Commonwealth Banks Restructuring Bill 1990, Part 5, expressly deals with the transfer of the SBV to the Commonwealth Bank . . . this is in direct conflict with section 51 (xiii) of the Constitution. The fact that the Victorian government and Parliament may consent to the transfer is neither here nor there. If the Commonwealth does not have the necessary constitutional power to do something, no State can give it that power merely by agreeing with what it wants to do.
>
> The Commonwealth argues however that all that section 51 (xiii) means is that the Commonwealth cannot pass laws regulating State banking whilst that activity is being carried on. According to this argument the situation is different where the State wants to get out of the banking business and hand the State Bank's staff and assets over to the Commonwealth.
>
> The trouble with this argument is that although it may be right, no-one knows if it is right because the High Court has never had to decide the question. The big banking cases back in the 1940s were about whether the Commonwealth could nationalise banking compulsorily, not about the extent to which the Commonwealth could legislate for a voluntary handover or sale of a State bank.
>
> In the bank nationalisation cases of the 1940s a lot was said by the then High Court about the close identification of a State bank with the essence of the State itself. This is confirmed in the case of Victoria by the terms of the State Bank Act 1988 (originally named the State Savings Bank Act). If the Bill now before the Victorian Parliament passes into law it will repeal the State Bank Act but that does not mean that the 1988 Act is legally irrelevant.
>
> Section 7 of the 1988 Act says: "The objective of the Bank is to provide State banking, financial and related services in a profitable, efficient and competitive manner for the economic development and welfare of the people of Victoria." Schedule 1 of the Bill recites the agreement between the Victorian and Commonwealth governments. It can be argued that that agreement is in direct conflict with section 7, which is the law now and was the law when the agreement was entered into.
>
> In short, the whole transaction is riddled not only with economic and moral doubt but also serious constitutional and legal doubt as well.

It is an argument for the House to delay the passage of the legislation. Parliament could well have egg on its face if the Bill is passed.

In conclusion, I pay tribute to the work done by the Save Our State Bank Committee which came into being not long ago but in the course of its activity has alerted the public to what is occurring. Approximately 6000 people are involved in it and it has generated considerable concern. The committee has done its homework, as has the Opposition, but its work is positive.

That is the attitude we should all be taking. The Opposition says it had done that and I am sure it has. However, we must make sure that we are going about this in the right way. It must be beyond a shadow of a doubt that what is occurring here today is the only way out. Knowing them as I do I can say that the members of the government would not have embarked on this course if they had not been convinced by the arguments put to them that this was the only way out.

As I said before, this goes against the government's philosophy and policies, the trade union movement resolution and the many things that are very much part of the Labor movement.

I refer to an article in the *Sydney Morning Herald* of 14 July 1990. It quotes the Federal Treasurer, Mr Keating, who was making a speech in Parliament on 21 May 1985:

> The sale of the Commonwealth Bank or . . . TAA (now Australian) . . . is simply vandalism of Australia's great public authorities . . . The Labor Party will fight tooth and nail to keep these public authorities in the hands of the Commonwealth. We are about refurbishing them and keeping them strong. We are not about wrecking them and selling them. The great public services they provide will continue to be provided while ever this government has the breath to defend them."

The article goes on to quote a speech by the Prime Minister, Mr Hawke. On 21 September 1987 during the memorial speech for Labor's Ben Chifley, whose government established TAA and Qantas, the Prime Minister, Mr Hawke, said:

> What in the name of reason is the justification for breaking up and selling off the great and efficient national assets, like the Commonwealth Bank, Telecom, TAA and Qantas? . . . As the people of Australia come to realise the extent of the economic and social vandalism proposed by our opponents, it will be necessary for us, Ben Chifley's heirs and successors, to keep fresh and green the memory, the example and the experience of this great Australia.

The Prime Minister is right; we should keep the memory of Ben Chifley alive. He was a great Australian and he too had a vision for the banks. He could see the value in State and government-owned banks.

I put one final plea to the House. Because of the seriousness of this matter and because the action we are taking cuts across many of our philosophies, the spirit of the protection of Victoria's assets and the right of people to know what is going on, I believe the proper thing to do is to delay the passage of the Bill until there has been an inquiry and we have heard the arguments and the reasons why the bank should be sold. We could hear the arguments put forward by other learned economists who may say we need to sell the bank. We would also have an opportunity to gauge the other values of the bank that we have not talked about—not the financial costs but the human costs and the other values I have spoken of. I move:

> That the debate be now adjourned.

The PRESIDENT—Order! Who seconds the motion? The Standing Orders require a seconder to all motions except one, and this is not that one. The seconder is not always asked for because it is assumed that a member of a political party automatically has support for the actions he or she is taking. That cannot apply to an independent member. I am irresistibly drawn to Standing Orders Nos 88 and 89, which state:

> 88. When a motion has been made and seconded, the question thereupon shall be proposed to the Council by the President.
>
> 89. Any motion not seconded may not be further debated, and no entry thereof shall be made in the Minutes of Proceedings.

As no seconder has been offered the motion therefore lapses.

Hon. P. R. HALL (Gippsland)—During the course of this debate the mood of the Chamber has been solemn indeed. There has been little of the light-hearted banter we often hear from one side of the House to the other. There have been few interjections, and the few that have come have not been the interruptive type of interjection; they have been more of the inquiry type, asking for further explanation of the points speakers have made.

In fact, the atmosphere that has prevailed in the Chamber today reminds me very much of the atmosphere that prevails during the debate on a condolence motion. We

are passing a condolence motion. We are paying our condolences to the State Bank. None of the speakers who spoke earlier sounded happy or pleased about having to make the decision to sell the State Bank. I do not believe any honourable member in this or another place feels any joy at all in having to agree to the legislation before the House. I get rather a sick knot in my stomach when I think about the reasons why we have to pass this legislation. The only real reason is the absolute incompetence of the wanton bunch of people on the government benches. Mrs Tehan expressed it clearly: the actions, policies and pursuits of the present government led to the loss of the State Bank. The sale of the Bank is no accident. It is not an unfortunate episode in a series of economic fluctuations. It is the direct result of the mismanaged economic policies of the present government.

"Tricontinental" has become a dirty word in my mind. It is one I am sure all present-day Victorians will remember for the rest of their lives because Tricontinental, the merchant banking arm of the State Bank, lost in round figures about $2.7 billion. I know the State Bank had some losses which can be attributed only to its own operations but certainly the bulk of that $2.7 billion lost by the State Bank can be attributed to Tricontinental. The Tricontinental losses have led directly to the need for this legislation. The logical conclusion of the Royal Commission into Tricontinental will surely be that the present State government is largely to blame for those losses.

During the course of the debate many speakers have passed the blame onto the government and its economic policies for the need for this legislation but I point out that not only the opposition parties feel that. This is not political rhetoric. This is the perception held by many influential and learned people in the financial community. I frequently read articles from the *Australian Business* magazine and on 12 September this year there was an excellent article that talked about Tricontinental. The article agrees with some of the opinions I have expressed and the opposition parties feel it is the government policies that have led directly to the forced sale of the State Bank.

The article, written by Martin Summons and Peter Maher, states:

> The State government used Trico to champion its economic policy, encouraging venturesome lending to fuel the building boom and give an appearance of prosperity and growth . . .
>
> The SBV board, appointed by the State government, shared four members with the Trico board . . . and it's difficult to accept that they were ignorant of Trico's activities.
>
> The former SBV board was aligned with a decisive—now discredited—State government policy, an expansionary and debt-financed strategy designed to fuel Victoria's 1990s growth . . .Trico's capricious lending was sanctioned by the Victorian government.

There is no doubt in my mind that those words are true, and they will be proven to be true once the Royal Commission into Tricontinental is completed. The article then refers to the role played by the Managing Director of Tricontinental, Ian Johns, and refers to the former Treasurer, the honourable member for Doveton:

> Jolly is equally accountable because he too condoned the structure, and because he was responsible for SBV board appointments. Jolly was roundly lambasted as overseer of SBV and Trico and called on to resign, which he ultimately did in March this year.

The Royal Commission will disclose some interesting facts for both the Opposition and the people of Victoria. The opposition parties pushed hard and were constructive in broadening the terms of reference for the Royal Commission. We sincerely hope the inquiry discovers what went wrong with Tricontinental and that it can attribute blame to the people directly responsible. The article is headed "Trico and Victorian government's loaded gun" and the subheading is, "Whatever the findings of the Royal Commission into the Tricontinental debacle, the State government cannot escape responsibility".

There is no doubt that the State government's policies were responsible for the losses of Tricontinental which, in turn, means Victorians will lose their own State Bank. That loaded gun is about to explode. When the findings of the Royal Commission are disclosed a few heads will roll. The gun will be finally detonated to its maximum when Victoria has its next State election. Towards the end of the article it states:

> The next crucial step is the Trico Royal Commission. The cynical view says you should never hold a commission unless you already know the outcome. But onlookers say it will unearth incompetence rather than corruption on the government's behalf. It may look for crooks, or condemn government policy actions, but neither finding will alter the basic picture that the Victorian government had to be bailed out.

That is exactly what we are doing. It would have been nice for the opposition parties to think they could use this as a political tool and not bail out the government, but the responsibilities we accept as members of the Opposition and the responsibilities we have for the welfare of Victorians means we will not use this Bill as a political tool. I must say it really gripes me and I get a knot in my stomach when I think we are being forced to agree to this measure. Unfortunately, we do not have any choice.

The Opposition has not taken lightly the decision to support the sale of the State Bank. As has been said by previous speakers on this side of the House, we sought the opinions of many experts and well-credentialled people from financial circles in Victoria and interstate as to the decision we would have to make. The opposition parties have analysed the proposals put forward by various groups to save the State Bank. They have looked at human and social costs and recognised that they will be great.

Mr Mackenzie argued we should wait and hold an inquiry to see whether we can afford to keep the State Bank. He claims that 63 per cent of Victorians do not want the bank to be sold. Mr Theophanous interjected that he thought it would be more than that. I thought the figure would be much higher and I am one person who does not want the bank to be sold. I am sure if they had a choice not many Victorians would want to sell the bank. Unfortunately we are being forced to sell it.

After weighing up all the positives and negatives, the opposition parties decided in the end they had no choice but to agree to the proposed legislation. It is certainly a painful decision we have to make. The one compelling reason that leads me to support the Bill is the need to protect the hundreds of thousands, and perhaps millions, of State Bank depositors. I sincerely believe if the sale were blocked their deposits would be at risk.

The recent experience of the Farrow group was enough for me to understand the pain and suffering of distraught investors who lost money or had their money frozen and faced serious financial problems. If we should procrastinate and accede to Mr Mackenzie's wish to have an inquiry, the potential for the same sort of disaster would exist for all State Bank depositors. If an inquiry were held and the bad news came out—and bad news does filter out during the inquiry process—all confidence would be lost in the State Bank. People would want to get their money out quickly. The last thing Victoria needs is a run on the State Bank like the runs it had on the Farrow group. Inevitably that would lead to the collapse of the bank and to depositors losing their money. I cannot agree to Mr Mackenzie's wish to adjourn debate on this Bill until an inquiry is held. In the best interests of Victorians I suggest that would be an unwise move.

The opposition parties have been careful in exploring all avenues and have taken a responsible attitude towards the proposed legislation. Stephen Bartholomeusz, in an article in the *Age* of 27 November, agrees with us. He states:

> The State Opposition's reluctant decision to support the sale of the State Bank Victoria to the Commonwealth Bank ensures the sale will proceed and secures the future of the bank and its depositors.

The security of the deposits of hundreds of thousands of people who have invested in the State Bank is a primary consideration. He also states:

> It would be a very brave politician—or any other Victorian citizen—who would knowingly put the bank at risk by playing policies with it. The Liberals . . .

And I insert "and the Nationals"—

> . . . deserve credit for behaving responsibly and, after assuring themselves of the nature and quality of the alternatives, supporting the sale.

We are not playing politics, although it is with regret that we must support the proposed legislation. We have no choice at all in the matter. Another factor that had to be taken into account was the effect the blocking of the sale would have, not only on depositors but on all Victorians. I do not often agree with the Treasurer, Mr Roper, but I agree with comments attributed to him in the *Age* editorial of 28 November which states:

> Mr Roper says the cost to the taxpayer of the interest on the Tricontinental liability would reach about $400 million by 1993—which would mean that hundreds of millions of dollars would have to be diverted from services like schools, hospitals and police until the debt was reduced. Are Victorians willing to wear a much tighter belt for those years?

I do not think the question is really whether Victorians are willing to wear much tighter belts. The fact is that we cannot afford to wear tighter belts. Our hospitals are bursting at the seams. In fact, that is not quite true because there are empty beds all over the place but we do not have the money to fully fund our hospitals and waiting lists have been continually growing for some years.

The same with our school system. This year the education sector had a cutback of some $92 million in the recent State Budget. That will bring about hardships for many students in the years ahead. The Opposition has long held the view that our Police Force is grossly undermanned and we have asked for more resources for our police.

It is not a matter of choice about tightening our belt; as Mr Roper said, if we were to retain the State Bank it would be at the cost of hundreds of millions of dollars that would otherwise go to other government sectors and we simply cannot afford that. Therefore we have no choice in the matter.

I could speak for much longer but many of the points have been well canvassed by previous speakers, especially my colleague Mr Hallam, who made an excellent contribution to the debate. I look forward to rereading his speech because it was the best I have heard in the two years I have spent in this House. All honourable members would be well advised to read his logical and detailed analysis.

My two years in this House has been punctuated by a series of disasters brought on by the government, culminating today in the biggest disaster, the sale of the State Bank. I do not support the sale of the bank because I want to, I support it because I am forced to do so by the actions of the foolish people who sit on the government benches.

Hon. T. C. THEOPHANOUS (Jika Jika)—I support the Bill. The sale of the State Bank is a serious matter. It is a matter about which history will offer its judgment to us all. It will offer its judgment to members of the Labor Party and it will offer its judgment to members of the Opposition. I believe from what I have heard to date that both the government and the Opposition have acted responsibly in this matter.

Hon. Rosemary Varty—Don't include us in your decisions, thank you.

Hon. T. C. THEOPHANOUS—For us in the ALP, who had to make the decision, it was an emotional time and a difficult decision. Many of us regret, some bitterly, the need that has arisen to sell State Bank Victoria. I understand some of my colleagues'

passionate objection to the sale and I respect their commitment against all odds to continue to fight to retain the bank.

The great strength of the Australian Labor Party is its capacity to retain divergent views and to have them aired within the party. People who disagree with the decisions can continue to fight for their views to prevail within our great party. That is not the case for some other people who are able to make decisions without having to have reference to a broader group in a democracy. I cannot not take the opportunity during this debate to comment on the contribution of Mr Mackenzie and to note that, unlike those Labor members who have a philosophy and have aired that philosophy within the Labor Party, his contribution is that of a political opportunist. It is the contribution of somebody who wants to get on to a band wagon of whipped up public hysteria in order to promote himself in the eyes of the public for the coming election, whenever that might be.

He made great score about the political philosophy of the Labor Party but I must say there is another great political tradition within the Labor Party philosophy and that is the tradition that one does not rat on one's mates. The tradition is that when decisions are made, even if one does not like them, one goes along with those decisions. One does not leave the party

I state from the outset that it was certainly not our desire to sell the State Bank; it was certainly not my desire. If I could have genuinely seen a way of retaining it that made fiscal and practical sense, I would have been the first to agree to its retention. Unfortunately I cannot see such a way of retaining it. I should like to briefly go over the options. Some of the options have been canvassed by the Opposition, particularly by Mr Hallam.

One option is of other asset sales. This option was unattractive, not least of all because the other assets that could be sold and had been canvassed are monopolies. The sale of the bank came down to the lesser of two evils. If the sale of the State Bank had been in an environment of future players in the banking industry versus the sale of, for example, the Gas and Fuel Corporation or the State Electricity Commission, then in my view the former is certainly preferable. If one rules out that option, the only other option is to increase State borrowings to the extent necessary to service the Tricontinental debt.

The amount required this year was in the order of $140 million and that could blow out to about $400 million in perpetuity. We would need to either borrow this on an annual basis, reduce services by an equivalent amount or raise taxes by an equivalent amount. It cannot be argued, as Mr Hallam correctly pointed out, that bank profits would simply compensate for this loss. It is not the total bank profit that is relevant here—in its best year ever, $12 million—but rather the $86 million the bank paid in dividends to the government. The rest of the $200 million in this instance went to capital reinvestment in the bank and that is required in order to maintain a viable bank.

One cannot just pull out $200 million and use that to reduce the Tricontinental debt. One could consider the $86 million but, as I shall show later, it is a totally inadequate amount. Therefore, even offsetting in the record year the $86 million against the $400 million that is required in perpetuity, that leaves a deficit of $316 million annually that must be borrowed, taxed or cut from services.

In circumstances of taking no action to sell, I believe there would be two possible consequences. One is that the State's credit rating could be further reduced, and this would be devastating for Victoria. Not only would it cost more in terms of higher debt servicing charges but it would reduce confidence in the State. The second point is

confidence in the bank itself, and therefore the effect on bank profits and the value of the bank would be undermined. It is not inconceivable that the bank could be lost anyway. It is not often I agree with Terry McCrann, but as he says in the *Herald-Sun* of 10 November 1990:

> Financial institutions depend on confidence, which is an extremely fragile flower . . . There have already been a couple of mini-runs on the bank at the slightest whiff of a rumour.

Those comments need to be taken seriously. The article continues:

> Were this to occur it is highly doubtful that the State Bank could continue as an independent institution. Who could guarantee that a forced sale by the Reserve Bank was not just around the corner in the event of a loss of confidence?

I recognise that academic arguments have been put forward purporting to establish that the bank could be retained. These arguments do not address the fundamental question of confidence. Moreover, a number of misconceptions have already been put around.

The first misconception is that there is no debt that needs to be repaid at all, or we can keep the Tricontinental debt anyway without any effect on anything. As responsible economic commentators have pointed out, that is ridiculous. It is blindingly obvious that the bank will be sold as a clean bank in the event of a sale, and therefore the government must retain the Tricontinental debt. It is also blindingly obvious, but rarely pointed out, that the sale provides the government with a capacity to pay off $2 billion of the $2.7 billion Tricontinental debt and therefore the need to find $400 million annually is nearly eliminated by the sale.

A second misconception that has grown as a consequence of the contribution of Professor Davis to the debate is that the elimination of the debt is possible within ten years. I have examined very closely the model Professor Davis employs on this particular issue. The model is a simple one employing ten variables, but there are a number of crucial variables, principally three. The three variables I refer to are the return on assets ratio, the interest, and the inflation rate.

Professor Davis uses an inflation rate of 5 per cent, a real interest rate of 4 per cent and a return on assets ratio of 1.27 per cent in order to achieve his result. The trouble is, over the past three years the actual return on assets ratio for the bank has averaged 0.76 per cent, not 1.27 per cent. The interest rate of 4 per cent does not accord with real interest rates of about 6 per cent or more on the interbank cash market. Inflation has not been running at 5 per cent as the model proposes. Based on my calculations, if one assumed a real interest rate of 6 per cent, a return on assets ratio of a generous 1.15 per cent, and an inflation rate of 6 per cent, the Tricontinental debt would only be reduced by some $800 million over the period in Professor Davis's model, even assuming one could use the entire $200 million to reduce debt—which, as I pointed out, is not possible. Using a 1.05 per cent rate of return, only $453 million would be paid off.

Professor Davis has responded to my calculations. In his response he claims that he re-ran the model using my preferred assumption, only to find that the Tricontinental-related debt is still paid off by the year 2000. I wondered about this because it seemed rather strange. Interestingly, the professor has deliberately not specified the rate of return on assets figure he uses in his re-run. He states that he used my preferred 6 per cent real interest rate assumption and my preferred 6 per cent inflation rate assumption, but he does not specify the crucial figure. He says he used an appropriate return on assets figure which he believes to be consistent with these two figures. To achieve his result this figure must be even higher than his original figure of 1.27 per cent return on assets, which figure does not accord with the average 0.76 per cent achieved by the bank over the past three years. The use of these higher figures cannot be justified by

simply asserting that return on equity always exceeds interest rates by 9 per cent, in the face of recent experience in the real world.

The third major misconception that has been put around is that the value of the bank is much higher than $2 billion. Professor Davis claims that the bank could be worth up to $5 billion. The calculation is based on assumptions about the income stream of the bank and the real discount rate used to value assets. The bank's profits are assumed to be more than $200 million and increasing in real terms over the period, while the discount rate is set at 4 per cent.

I have indicated, as have other speakers, how unrealistic the profit of over $200 million is in the current circumstances. Based on a 10 per cent real discount rate and a more realistic $150 million real profit over the period, the value of the bank is a more modest $1500 million. In his response Professor Davis does not contest that calculation but says that a 4 per cent discount rate should be used because it coincides with published target rates of return for government authorities. He is way out of date. Government enterprises such as the State Electricity Commission used an 8 per cent discount rate for some time and a discount rate of up to 20 per cent on new projects. These authorities are monopolies and do not have to live in the now highly competitive deregulated world of banking where one would expect much higher discount rates.

Using a realistic 10 per cent discount rate the value of the bank works out at $1.5 billion. The ultimate test of value is the market, and clearly the Westpac offer is a more reliable measure than the dubious assumptions about discount rates. The offer by the Commonwealth Bank represents 1.9 times the net tangible assets of the State Bank, which compares favourably with other acquisitions of financial institutions by Australian banks which in recent times have averaged 1.6 times net tangible assets. The higher figure reflects the strategic value of the State Bank to the Commonwealth Bank and compares favourably with similar acquisitions by such places as the National Australia Bank purchase of the Scottish and Yorkshire Bank.

Mr Hallam's claim that the SBV is worth only $900 million does not take into account these factors of strategic value. I believe the price to be appropriate. I have said in other public forums that the sale to the Commonwealth Bank will create a large internationally competitive bank providing a wider range of services to customers and one more able to open new branches in underserviced areas, especially in the growth corridors. Jobs should be created by this process which should offset the rationalisation process. The Commonwealth Bank will also be more focused on Victoria. That is the other side of the coin. Victorian industry, business and employment levels can only benefit from such a greater focus by the Commonwealth Bank on Victoria.

Hon. R. A. Mackenzie—You don't really believe this, do you?

Hon. T. C. THEOPHANOUS—While it is true that the head office of the Commonwealth Bank is and will be in Sydney, it is true that a high level of infrastructure will remain in Victoria. From one point of view it can be argued that the sale will at least in part bring the Commonwealth Bank to Victoria rather than take the State Bank to New South Wales.

Whatever positive results there may be from the sale of State Bank Victoria to the Commonwealth Bank, I recognise some costs are also involved. The deregulation of the banking sector has made banking a cutthroat affair. I am not sure whether any benefits have been derived so far from that process. Nevertheless, now banks must be large and internationally competitive to survive.

Hon. K. M. Smith—The State Bank is the fifth-largest bank in Australia!

Hon. T. C. THEOPHANOUS—It is unlikely that the State Bank would be able to survive in the current economic climate. The State Bank of New South Wales is in diabolical trouble. Its problems are camouflaged through payments from the Commonwealth Bank under an old agreement; the payment of $100 million has been used to make provision for bad debts. The Bank of Tasmania has recently been shown to be in some trouble. Whether we like it or not, big is strong in the current financial situation; there is no guarantee that the State Bank would have survived in the long run.

Hon. R. A. Best—Being the fifth biggest bank is not big enough!

Hon. T. C. THEOPHANOUS—I refer to a point that has been missed by the other speakers in the debate. The sale of State Bank Victoria is to another largely publicly owned bank. I make it perfectly clear that while I support the sale of the State Bank for reasons I have given—that is, basically because it was necessary—it should not be taken to imply that I support the action of selling all or part of the Commonwealth Bank, because I consider that to be an unnecessary move.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS—I do not make the point in order to run away from the argument. I make the point to illustrate that members of the ALP in this Chamber, even those members who have stressed their reservations about the sale of the State Bank, do not feel uncomfortable about its sale to the Commonwealth Bank so long as it is not privatised. That position has been adopted by the Labor Party and the union movement.

Hon. R. A. Mackenzie—And the union movement?

Hon. T. C. THEOPHANOUS—And the union movement, for your information, Mr Mackenzie. The objection the unions have expressed relates to the privatisation or part privatisation of the Commonwealth Bank.

Hon. Rosemary Varty—And you are facilitating it!

Hon. T. C. THEOPHANOUS—The position of the unions in Victoria is as I have described it. Mr Mackenzie should not involve himself in discussions about the union movement because its members have the same tradition of not ratting on their mates that members of the Labor Party have. The union movement and the Labor Party hold that philosophy, but more than that they recognise they have responsibilities, unlike the honourable member on my right, Mr Mackenzie, and that they actually have to——

Hon. R. A. Mackenzie—I was a member of a union before you were born! Don't talk to me about unionism or the Labor movement!

Hon. T. C. THEOPHANOUS—As I said, when decisions are made, members of the Labor Party might disagree with them but at the end of the day they do not nick off; they do not pack their bags and go because they do not like the decisions. Members of the ALP put their points of view and recognise that decisions have to be made that——

Honourable members interjecting.

Hon. T. C. THEOPHANOUS—I shall not use the remainder of my time to address what I have described as the clearly politically opportunistic position adopted by Mr Mackenzie. He knows as well as anybody else that the sale of the State Bank is necessary. All he has done is maintain a position in his attempt to grab a few votes in Geelong. He did exactly the same when the issues about the Pyramid Building Society were being debated. Nobody should take any notice of him!

Hon. Rosemary Varty—You are so weak you have to attack the man!

Hon. T. C. THEOPHANOUS—While some honourable members do not support the sale of the State Bank to a privately owned institution, but do not oppose the Bill, at the end of the day it should be recognised that privatisation and the sale of assets is more in keeping with the philosophy of the Opposition than it ever will be with the philosophy of the ALP. If the unfortunate situation ever arises where honourable members opposite are in government, Victorians will see a privatisation and sell-off list as long as your arm, Mr Deputy President. Everything will go; there will be nothing left; they will sell it all to their mates!

Hon. Rosemary Varty—There will be nothing left to sell!

Hon. T. C. THEOPHANOUS—I conclude my remarks by indicating that honourable members on this side of the House have had to make a difficult and tough decision. We did not run away from it; we recognised how important the decision was. The decision was made in the context of the knowledge that the State Bank was to be sold to another largely publicly owned enterprise, the Commonwealth Bank, and that the larger bank would be influenced by having a substantial infrastructure based in Victoria as a consequence of the sale.

I have shown the arguments of Professor Davis to be fallacious——

Hon. ROSEMARY VARTY (Nunawading)—On a point of order, Mr Deputy President, this is tedious repetition. Honourable members have heard all the arguments and now Mr Theophanous is starting to regurgitate the issues.

The DEPUTY PRESIDENT (Hon. K. I. M. Wright)—Order! There is no point of order, but I ask Mr Theophanous to make his concluding remarks as he indicated he was bringing his speech to an end.

Hon. T. C. THEOPHANOUS (Jika Jika)—Before I was rudely interrupted I was summing up in a general sense the major points I have made in my speech.

Hon. Rosemary Varty—You have not made one major point yet!

Hon. T. C. THEOPHANOUS—Principal among the points was the argument I put that Professor Davis is incorrect in his modelling. He made fundamental errors. I referred also to those who seek to retain the State Bank. I said that some of them have their own agendas that I do not understand. I referred to the political agenda of some who opposed the sale. I referred also to others who have a genuine concern for retaining the State Bank. While they are entitled to that view, so far as I am concerned they are mistaken. I do not put Mr Mackenzie in that category.

Hon. K. M. SMITH (South Eastern)—I am absolutely astounded by the cheek of Mr Theophanous in his presentation of his case on why his government has sold the State Bank. It was sold because of the government's hopeless and total mismanagement. Mr Theophanous did not come up with one good reason why the bank had to go.

I am absolutely appalled by the performance of the government members during this most serious debate. We are going to sell off State Bank Victoria, but government Ministers have given a pathetic performance because of their non-attendance, apart from the Minister for Industry and Economic Planning. A couple of Ministers have drifted in and out.

The Minister for Industry and Economic Planning is not going to offer any reason why our bank had to go and other Ministers have not been game to stick up their heads. It was the same story in the other place. There was no government member over there with enough guts to give the reasons why our bank had to be sold. In this House only lightweights like Mr Theophanous have spoken.

Hon. T. C. Theophanous—What!

Hon. K. M. SMITH—Mr Theophanous's performance was absolutely disgusting. His performance was the worst that I have seen.

Hon. T. C. Theophanous—Mrs McLean and Mrs Coxsedge have spoken.

Hon. K. M. SMITH—They do not count as lightweights; also, they spoke only because of their ideological convictions.

The debate has been taken seriously by those on our side of the House but it has not been treated that way by government members. Mr Hallam presented magnificent reasoning in setting out why the opposition parties support the government and are not opposed to the State Bank being sold off. At least Mr Hallam had the courage to stand up and say, "You had to sell our bank because of your hopeless financial attitude". It is true. The government is hopeless.

It was our bank and the government ruined it. The bank was close to me and to every other honourable member in this House. When this matter was first being discussed there was no way that I was prepared to support the bank being sold. I intended going to my party room to fight to ensure that we retained the bank. People from all walks of life have come up to me and said, "You can't sell our bank". I began to reflect on the State Bank. I went to a State school and I would put my pennies and threepences in my State Bank account.

Hon. G. H. Cox—Sixpences!

Hon. K. M. SMITH—I was never rich enough to have sixpences. I remember those times. I went to the briefing. Obviously government members did not have briefings; they did not know why the bank was being sold. I sat in that room and listened to what was being said about the position of the bank. I started to get a lump in my throat. I felt tears coming into my eyes when I wondered why my bank had to be sold. I said to myself, "Those bastards from the government; they have been prepared to do this to my bank—to our bank!"

The DEPUTY PRESIDENT—Order! I find that term objectionable and I ask Mr Smith to withdraw it.

Hon. K. M. SMITH—If you find it offensive, Mr Deputy President, I withdraw it.

Hon. M. A. Birrell—Those people without wedded parents!

Hon. K. M. SMITH—Yes, those people. I was compelled to say that because that is exactly how I felt as I sat in that briefing room. I was not the only one because as I looked around I saw other people who had reached the point of tears because our bank had to be sold.

It is disgusting that almost 150 years of history will go down the drain. Those on the other side of the Chamber are the ones who have dragged the bank down. It is absolutely disgusting. The government cannot hang its cap on anything that it has done apart from putting Victoria in the worst financial position of any State in Australia.

Hon. C. T. Theophanous—Whingers and knockers, that's what you are!

Hon. K. M. SMITH—Mr Theophanous calls us whingers and knockers. I cannot believe he could say that because this has occurred since the ALP has been in government. During the 27 years of Liberal government we built a decent history. We did it well, but the government has changed that in eight years. The government is selling our bank and it is sending business broke across the State, but it will not come in here and defend itself.

Hon. C. T. Theophanous—We did!

Hon. K. M. SMITH—No, there are five government members in the House and one Minister.

Hon. C. T. Theophanous—That is because you're speaking!

Hon. K. M. SMITH—It is disgusting. The people of Victoria will remember what has happened election after election because we will remind them of what the government has done to this State. The government cannot be trusted and we have proven that.

I was not going to contribute to the debate but there are approximately 4 million people in this State who are concerned about what is happening. I, along with my colleagues, am prepared to stand up and express my views about the disgusting way the government has behaved in selling our bank. It is the thing that will be remembered and we will make sure of that.

Sitting suspended 6.27 p.m. until 8.2 p.m.

Hon. R. A. BEST (North Western)—It gives me great pleasure to contribute to the debate because it is extremely important and is monumental in the history of Victoria. Like my colleague Mr Hallam and other members on this side of the House, I am sad at the sale of the State Bank of Victoria to the Commonwealth Bank. The one bright spot on the horizon was the excellent contribution from Mr Hallam who clearly outlined why the coalition made the decision not to oppose the Bill.

Like many members of the coalition, I went to briefings that took place quite prepared to reject the Bill because I believed the State Bank was an asset of all Victorians and should remain just that. However, at the briefings it was made clear that the only things left of the State Bank are a shell and a black hole. The government is responsible for the demise of one of Victoria's greatest assets. The unfortunate thing is that honourable members heard from the government a mealy-mouthed justification for the sale of the State Bank; it was a response that lacked any philosophical commitment.

The government has presided over many financial losses. In the two years I have been a member of this place I have seen the WorkCare liabilities begin at last to come into line, but they are still excessive. I have seen the Victorian Economic Development Corporation and Victorian Investment Corporation fiascos and I have seen Tricontinental. I was astounded when the full extent of losses of Tricontinental became known. Some 75 per cent of its loans are considered to be doubtful debts; in other words, 75 of every 100 loans are doubtful. It was only during the second-reading speech of the Minister that the attitude of the government really hit home. The speech to justify the sale of the State Bank states:

> As stated by the directors of the State Bank in its annual report, history has shown that the group's expansion in the 1984–89 period was badly marred by the aggressive and imprudent high-risk lending practices of the bank's merchant subsidiary, Tricontinental.

Whose idea was it? Admittedly deregulation at a Federal level had a lot to do with the direction the then Treasurer decided the bank should take. However, on reading the history of the situation, I know the people to blame are Mr Jolly, Dr Sheehan, Mr Johns and others. The blame should be sheeted home to them. They chased the commercial, high-risk venture capital for which all banks were competing. Honourable members saw the transition of the State Bank from its secure, perhaps staid, practices to a bank competing with the big boys without the expertise to do so. Tricontinental ventured into high-risk areas, but in most cases it became the lender of last resort and that is why 75 per cent of its loans are doubtful.

Tricontinental has created a millstone around the necks of all Victorians and their families. Victoria has a massive debt it can no longer service. Every Victorian family owes approximately $7000, and the State's reputation as being financially viable has been destroyed. Victoria has become the leper of the Australian economy; it is Mexico without the sun; it is the Albania of the south. All those descriptions apply to Victoria; honourable members can take their pick. It is all because of the misguided direction taken by the former Treasurer, the former Premier and the current Premier.

The coalition has no choice but to pass the Bill. Victoria is on the brink of bankruptcy and honourable members must be conscious of the direction that is taken. I do not intend to get into the technical arguments put forward by Mr Hallam but, unfortunately, the government has dismantled the State Bank to the extent that it is only a shell of its former past.

Its value has been eroded and the government cannot afford to service the debts of the State Bank. We basically have to get whatever we can. In this case we will receive approximately $2 billion from the Federal government, which is required for the State government to balance its Budget.

I have heard arguments today suggesting that the price being paid by the Commonwealth is fair. Mr Hallam distinctly explained why Victoria is receiving almost $2 billion. I sincerely believe it is a political price, not a market price, and that in selling the State Bank the State will be left with a millstone around its neck—Trico. We, as a coalition, have had to agree to the sale, and at a price. As I said, it is a political price and it has satisfied the Keating agenda for privatisation.

The Victorian economy is facing severe financial difficulties but it is only the tip of the iceberg. The next six months could prove to be catastrophic for the Victorian economy. I predict that unemployment could reach 10 per cent, or maybe 12 per cent, if measures are not taken now to give incentive back, particularly to the small business sector, to get the economy back on track.

The Victorian people should send the government to purgatory. They must never be allowed to forget who lost their State Bank. The government stands condemned for its financial mismanagement, and if it has any sense, pride, guilt, remorse or responsibility, it must go to the people at the earliest opportunity. It gives me no joy not to oppose the Bill.

Hon. G. P. CONNARD (Higinbotham)—The State Bank (Succession of Commonwealth) Bill is the culmination of an absolute litany of disgraces of the government. I recollect that when I first entered Parliament in 1982 Mr White, the Minister for Industry and Economic Planning, arrogantly accused members of the Opposition of being slow learners. He said the government's modern economic management was the way to go, and that the government had appointed Dr Peter Sheehan, an outstanding economist, to be the Director of the Department of Management and Budget. As Mrs Tehan said earlier, that department released green papers with economic strategies and then silver papers telling us and the rest of Victoria and Australia how well the Labor government would succeed, but it failed. It has taken eight years to fail simply because it has been imposing Keynesian/socialist economic philosophies. The intervention of the government by various mechanisms has brought this State to disaster, and fundamentally because of the government's philosophical approach to the handling of the economy.

The government is wrong, as the Federal government is wrong, in its fundamental philosophical approach to economic management. I confess, quite candidly, that I come from a middle-class background, and that background has taught me that frugality is the only way to handle money. Tricontinental and the State Bank's backing of it

through venture capital has brought this State to its knees, and the bank is now being sold.

I shall briefly touch on a couple of matters that I believe are scandals. Hopefully, when government members take the time to study what has occurred they will agree that they are scandals. I refer to a book entitled *Burke's Shambles* by Anthony McAdam and Patrick O'Brien. It was from reading that book four years ago that my attention was first drawn to the potential scandals associated with Tricontinental.

What happened to the Burke government in Western Australia has been well reported in the newspapers as an absolute scandal, but nowhere near the class of scandal of the Cain-Kirner government. The litany of scandals by the Labor Party demonstrates its incompetence.

Way back in May 1985 Mr Peter Ellett, a Perth businessman anxious to build a brickworks, was referred to the Western Australian Development Corporation by investment consultants. He was directed to Mr John Horgan, Managing Director of the WADC, who directed him to Mr Michael Beech, Executive Officer, Projects and Property Branch of the WADC. Mr Beech referred Mr Ellett to a number of sites. The details must be accurately stated. Mr Ric New was the proprietor of Midland Brick and well known to be a conservative, a businessman of repute and a supporter of conservative parties and the Liberal Party.

Brian Burke decided that he would target Mr New because of his financial support of the Liberal Party. When Mr Ellett, who had an interest in building a brickworks, made inquiries it became obvious that he was being pushed towards the Midland Brick company site owned by Ric New.

In October 1985 Ellett lodged a registration of interest with the government for the Midland site. Briefly, Mr John Trent met Paul Regan, adviser to Julian Grill, then Minister for Regional Development in the Burke government, about government support for a proposed brickworks. According to Mr Trent's statutory declaration as read in the Western Australian Parliament, Regan expressed his and his government's desire to "get Ric New" and Midland Brick. That is laid down in the evidence of the Western Australian government. I am encapsulating quite a long story——

The DEPUTY PRESIDENT—Order! How do these remarks relate to the Bill?

Hon. G. P. CONNARD—I shall come shortly to the abominable losses made by Tricontinental. From January to February 1986 the Premier's office—that is, Premier Burke—instructed WADC to evaluate the sale to Ellett's Prestige Brick. Further on in this sad and sorry tale, in April 1986, the Western Australian Cabinet approved Ellett's proposal and the offer by Prestige was executed and signed by Ellett and the company secretary. I do not intend to waste the time of the House specifying names of the people involved, who are associated with the Western Australian Labor Party.

In November 1986 Mr Peter Ellett raised a mortgage with Tricontinental for $1 million to get rid of Ric New and Midland Brick. That was brought to my attention in 1986. I was told at the time that the mortgage was done without adequate and proper security. It seems strange that the Cain government was assisting its colleagues in the Western Australian government—the Burke government, which has been totally discredited—to get a loan from a Victorian organisation to support the dismissal and disposal of Ric New and Midland Brick in Western Australia.

It was also strange that when Anthony McAdam, who was a well-known journalist and the prime author of this book, was publishing it his contracts within the newspapers were suddenly terminated. Mr McAdam has not been employed by a major newspaper in Australia since.

The evidence from several commissions in Western Australia has proved the connection between Tricontinental and this outrageous scandal. In my remarks I pay attention to the scandalous links between the Cain and Burke governments to support the attack on Midland Brick. I am certain the commissioners will take note of that scandal.

It is not the only flawed economic policy of the government that has brought the State Bank to its knees. Not only has it destroyed the economic affairs of the State but there is evidence of corruption. I hope the Royal Commission will detect that corruption and bring the true architects of this sad case to justice.

As all honourable members know it is not only this State but the whole nation that has an absolute economic crisis on its hands. The Federal Treasurer has only now admitted that Australia is in a recession. I happen to believe that Victoria has gone beyond that. It is a commercial disaster.

In my Budget speech earlier this year I pointed out that in the electorate I represent, which is the second largest light industrial area in Victoria, a number of factories and shops in strip shopping centres have closed. This is not by any accident. It was caused by the incompetent economic philosophies of this government. Pehaps I was naive to believe upon the appointment of Dr Peter Sheehan as the Director-General of the Department of Management and Budget that his academic attainment was in economics. I have since been told that his Ph.D. was written in sociology—it had nothing to do with economics. This seems to stand up because under the direction of the Department of Management and Budget Victoria took a sociological economic direction rather than considering the ordinary commonsense of what money is, how one earns it and how one spends it.

You, Mr Acting Speaker, would have noticed that in several questions on notice I have inquired about whether Dr Sheehan has been dismissed by the government. It does not seem that he has. None of his appointments has been advertised; he remains. He is probably still advising the government on economic affairs, and yet we know he was dismissed because of the opposition parties' doubts about his credibility over the economic direction of the State. Mr Jolly was dismissed only in a superficial way. He is still enjoying the white cars and salary appertaining to the position of Parliamentary Secretary of the Cabinet. He continues to influence the eonomic policies of the government and yet the Opposition proved conclusively that the economic philosophies of the government have no credibility.

I am glad the Minister for Industry and Economic Planning is in the House because, with Mr Jolly, he was one of the main architects of those socialistic dogmas of economic logic. In his second-reading speech he had the impertinence to claim that in many ways the sale of the State Bank is not really the fault of the government. What a nonsense! My grandparents, my parents and I have long supported the State Bank. In 1982 it was as good a bank as any but eight years later the State Bank has been brought to its knees.

Frankly, we are selling the bank today. Any honourable member who knows two sides of a dollar would know one simple thing: if you earn $100 a week and you spend $110 a week, in five or ten years time you will have to sell the house to pay the bills. If you earn $100 a week and spend $90 a week, in five or ten years time you can buy the things you need. The government has backed the wrong horses and in its general approach to government it continues to spend more money than it is earning, and the State debt is climbing steeply year by year.

The Minister and the Labor government are slow learners. They have learned nothing at all. There has been no alteration in the economic philosophy of the government in

spite of this massive disaster. As has been mentioned by several of my colleagues, I came into this debate ready to fight to the end to save the State Bank which my grandparents and parents and I have supported over the years. I give full credit to the shadow Treasurer in another place, Mr Stockdale, who last week led us through meetings with leading bank officials. Regrettably, I come to the conclusion that there is no way to go except to sell the bank. I know very well that out of the amount the bank is being sold for there will still be a residual debt of $700 million.

We have sold the house—our basic and most important financial institution—but we still owe money. I have not heard from either the Treasurer or the Minister for Economic Planning about what the government will do to pay off the debts accumulated by State Bank and Tricontinental following the sale of the bank to the Commonwealth. I have heard little mention of how the government intends to pay the residual debts of the VEDC and its other flawed corporate investments. All I know is that my children and I, along with every other man, woman and child in Victoria, now each owe some $7000 because of the government's financial mismanagement. There is no suggestion of how the government will pay the debt, except by passing it on to our children and grandchildren.

Victorians are now aware of what the Labor government has been trying to hide for years: Labor governments are socialist governments! Their claims to be libertarian economic managers have been shown for what they are. The Labor government's intervention into the corporate sector has failed. There will be only one way to pay back the debt, and that is by reducing services and trying to save money in the many difficult years ahead. Finally the truth has come out. At the first opportunity the people of Victoria, whom we represent, will dismiss the Labor government.

Despite listening to Ministers in debate, asking questions without notice and questions on notice and writing to various departments and authorities I have been unable to learn of the government's plans to redeem the colossal losses which have been incurred because of its flawed economic policies. The government still seems to think it will be able to trade out of its difficulties. The Federal Treasurer has recently said on the public record that everything will be fine: "Don't worry about it; we are on track"—on track to increasing debt! It's all fine and dandy for Mr Theophanous and others to say that the level of debt is the responsibility of the private sector. The government has the responsibility for economic management. It has set the current economic climate that has encouraged business people to be overadventurous. Treasurer Keating is to blame for his deregulation of the financial sphere. He has been ably supported by former Treasurer Jolly, who backed very peculiar businesses by offering them so-called venture capital—and not surprisingly virtually all of them failed!

I am particularly disappointed by the AMRAD Corporation Ltd venture. Because of my connection with hospitals and medical research institutes I applauded the initiative of the Cain government to set up an organisation to market and sell the discoveries of Australian scientists. Five years later the organisation's balance sheet, which has recently been presented to Parliament in the organisation's report, looks relatively sound. Unfortunately AMRAD has failed to realise its original charter because most of its revenue has been gained from the sale of chemical products rather than from the sale of scientific discoveries, which our major institutes should be involved in.

The appointment of Dr Peter Sheehan to the board of AMRAD has been a bad influence. I urge the Minister for Industry and Economic Planning to do his best to ensure that more business people are appointed to the board rather than allowing its direction to be influenced by the former head of the Department of Management and Budget. The organisation can be turned around, but the government does not seem to think it needs to be done.

This is one of the most tragic days in the history of Victoria. We have sold the house, the State Bank, one of the most venerable and successful institutions in Australia. It has been brought to its knees by the Cain and Kirner governments. I cannot support the Bill, but I shall not vote against it. My colleagues on this side of the House have spent a great deal of time this past fortnight consulting about and receiving briefings on the State Bank. Because it has been ravaged by the Labor government the State Bank is irretrievable. Even after selling it Victorians will still have to pay for its residual debts.

There is some hope on the horizon because the people of Victoria now realise the need to throw the Kirner government out of office at the next election. The coalition government will accept the burden of paying back the residual debt over time. It will not be easy and we will have to depend on the good sense and patience of the people of Victoria. Members of the opposition parties know that it will be a long, long time before the people of Victoria give the Labor Party another chance to govern this State.

Hon. G. H. COX (Nunawading)—Because I am one of the last Opposition speakers in the debate, many of the issues I would have raised have been already spoken about. I support what the Opposition speakers have had to say about the sale of the State Bank. One previous speaker said that when he went into the Liberal Party room he was hoping a way could be found to save the State Bank. But after listening to so many sobering statements by experts in the financial field he realised that the destiny of the State Bank had been decided. As has been said, if two years ago the government had done something to rectify the problems facing the bank at that time we might not be in this predicament.

During my time as a member of the other place before 1982 I remember the then Leader of the Opposition, John Cain, promising Victorians that he could give them back 4 cents in every dollar of their gas bills if they voted the Labor Party into office. As Opposition speakers have said, 31 cents of every tax dollar will be used to pay off the debt accrued by this failed Labor government.

Before 1982 it was said that you had to be older than 45 to know what a State Labor government was like. The people of Victoria have had their fill after eight years of this Labor government: the Labor Party is on notice that after the next election it will not see government again for a very long time!

I recall the 1985 State election campaign where the Liberal Party discovered cover-ups and tried to warn the public that the government was not keeping its house in order financially and that there were more horrendous things to come.

In October 1988 it came as no surprise that the government went to an early election. It did not wait until 1989, but as anticipated went early. At that time the Liberal Party issued a brochure which asked, "What have you got to hide, Mr Cain?" The brochure referred to the Victorian Economic Development Corporation issue. The Liberal Party was referring to the loss of $11 million by the VEDC. Of course, that is chickenfeed compared with how much of Ralph's money the government has now lost.

Honourable members will recall the advertisement run by the State Bank in which it so proudly said it was looking after the money of Ralph and Ralphine for the future. These people may not have lost their personal accounts but indirectly the whole State has suffered. Victorians discovered their money was not being looked after.

I also recall a radio interview with the then Treasurer, Mr Jolly, and the then Leader of the Opposition, Mr Kennett, where Mr Jolly challenged Mr Kennett and said, "Well, if you get into government you will sell the State Bank". From that point on

Mr Kennett was hounded on the proposition that, given the chance of being Premier, he would sell the State Bank.

Unfortunately, Victoria has now arrived at that conclusion. That stage has been reached not because the State is buoyant and the Liberal Party philosophy is to have government institutions privatised, but simply because there is a compulsion to do so. It is a shame for Victoria that its government is forced to sell this institution. Previous speakers have recalled how, in their younger days, they took their pennies and threepences along to school and supported the State Bank.

It is unfortunate we have not been able to examine other ways of being able to save the State Bank. We can impose a petrol levy to assist Pyramid depositors but no-one has suggested imposing a levy on petrol to save the State Bank.

Hon. Robert Lawson—It would double the price!

Hon. G. H. COX—It would be unfortunate and probably unrealistic to impose another levy on petrol because the cost would be horrendous. I believe this day, 30 November 1990, is a black day in the book of the government. The community should not forget or forgive the government for what it has done. Victorians should not forget or forgive the people who were the architects or main players in this debacle. The former Premier, Mr Cain, the former Treasurer, Mr Jolly, who is still Parliamentary Secretary of the Cabinet, and Dr Sheehan, who is now at the University of Melbourne, are all prime players in the bank's demise. Their names should be recorded in the history books and they should be remembered for what they have done to the State. It is with great sadness and a good deal of frustration that I can see no other way than to let the government have its will.

The DEPUTY PRESIDENT—Order! The question is:

> That this Bill be now read a second time.

Hon. R. A MACKENZIE (Geelong)—No.

The DEPUTY PRESIDENT—Is a division called for?

Hon. R. A. MACKENZIE—Yes.

The DEPUTY PRESIDENT—I ask the Clerk to ring the bells.

Bells rung.

Hon. M. A. Birrell—How can he call a division?

The DEPUTY PRESIDENT—Order! I will explain it to Mr Birrell later, if he wishes.

Hon. R. I. Knowles—He has never been allowed to call one previously.

Hon. M. A. Birrell—I ask you to explain it now, if you will.

The DEPUTY PRESIDENT—Order! An explanation has been requested by the Leader of the Opposition on the calling of the division. I refer honourable members to Standing Orders Nos 150A and 150B. Standing Order No. 150B states:

> Notwithstanding Standing Order 150A, if there be only one member on a side when the doors are locked and any member expresses his desire to have the division recorded in the normal way, the President shall direct an officer at the table to act as second teller for the minority, and the division shall be permitted to proceed.

As I understand it, this is the first time this has been done.

House divided on motion:

Ayes, 34

Mr Ashman	Mr Henshaw	Mr Sgro
Mr Baxter	Mrs Hogg	Mr Smith
Mr Best	Mr Ives	Mr Storey
Mr Birrell	Mr Kennedy	Mr Theophanous
Mr Connard	Mr Knowles	Mr Van Buren
Mr Cox	Ms Kokocinski	Mrs Varty
Mr Davidson	Mr Landeryou	Mr Walker
Mr de Fegely	Mr Lawson	Mr White
Mr Evans	Mrs Lyster	
Mr Guest	Mr Mier	*Tellers*
Mr Hall	Mr Miles	Mr Craige
Mr Hallam	Mr Pullen	Mr Macey

Noes, 1

Tellers
Mr Mackenzie
Clerk-Assistant

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—A number of speakers asserted that the government had not made clear the reasons for the sale of the bank during the second-reading debate. There were two substantial reasons for the sale. The first was that as a result of the State Bank having 100 per cent ownership of Tricontinental and because of the execution of the government's guarantee it was recognised that there was a $2.7 billion liability which would become an impost on both the State Bank and the State government.

It is clear to us in our assessment of the magnitude of that issue that it would be impossible to have an effective State Budget and consolidated set of accounts in a manageable sense with that impost of $2.7 billion with an additional impost of interest on that debt initially of $140 million per annum and subsequently rising to approximately $400 per annum. It was also clear that if that scenario were to continue for any period it would be accentuated by the events to which Mr Hallam referred and of which I am aware at Mildura and Sale—I am not aware of the events at Horsham—that the issue of confidentiality in the general community about the management of the bank would be raised. That in turn would have potential repercussions for the whole of the financial community.

On those two substantial grounds we believe it was appropriate to seek a willing and able buyer and an appropriate price for the State Bank and we proceeded to seek that. As Mr Hallam has made clear, a reasonable price has been obtained for the sale of the State Bank to the Commonwealth Bank.

I make it clear that the government gave at least as much consideration as the Opposition has said it has displayed in addressing the issue of the $2.7 billion impost

because of Tricontinental on the operation of the State Bank and ultimately on the Consolidated Fund. Because of that set of circumstances it was necessary to take the course of action we took and it was the subject of substantial and detailed consideration by the government, as it has been in more recent days by the Opposition. The government has put into this set of events as much consideration as has any other party.

We also fully appreciate that we would have preferred that this set of circumstances had not arisen. It would have been preferable if we had not been placed in the circumstances of having to sell the State Bank but, faced with the magnitude of the issues that I have mentioned, there was no other course to take.

If honourable members are still not satisfied with that justification for the sale of the State Bank I am happy to respond to any further points that might be made.

Clause agreed to; clauses 3 to 13 agreed to.

Clause 14

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

1. Clause 14, line 9, omit "6" and insert "7".

This amendment corrects an error in the Bill. The Bill as drafted refers to section 6 of the Transfer of Land Act 1989. The reference should be to section 7.

Amendment agreed to; amended clause agreed to; clauses 15 to 19 agreed to.

Clause 20

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

2. Clause 20, lines 10 and 11, omit "a director or officer".
3. Clause 20, line 12, after "(*a*)" insert "was a director or officer".
4. Clause 20, line 13, after "(*b*)" insert "was a director".
5. Clause 20, line 15, omit "and".

Clause 20 deals with immunity of directors and officers. It limits the immunity so that it is no wider than under the existing immunity provisions of section 49 of the State Bank Act 1989.

Hon. R. M. HALLAM (Western)—Amendments Nos 2 to 5 go to an issue that was of grave concern to the coalition because as the Bill was previously constructed it could have been argued that what the clause was doing was extending immunity to all directors and officers of both the bank itself and, more importantly, a related corporation. We now acknowledge that the amendments bring the clause back to doing precisely as has been outlined by the Minister. The opposition parties acknowledge that the amendments do no more than reiterate the provisions that applied in the Act itself. There is no question of amplification or extension or the softening of the liability in any way. It is on that basis that we are prepared to accept the amendments.

Amendments agreed to; amended clause agreed to; clauses 21 to 37 agreed to.

Clause 38

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

6. Clause 38, line 33, after "officer" insert "after the commencement of this section".

This amendment deals with clause 38, which provides for the immunity of directors and officers of Tricontinental in certain circumstances and takes up a matter raised by

Mr Hallam during the second-reading debate. The amendment is intended to limit the immunity of directors and officers to those appointed after the commencement of the application of this clause, which means after the time the proposed section comes into effect, which presumably will be on or about 1 January 1991.

Hon. R. M. HALLAM (Western)—During the second-reading debate I made it clear that so far as the coalition was concerned it was very important that there be no question mark over the appointment of directors to Tricontinental in the future. I made the point that it was absolutely crucial that we set about restricting the costs in respect to the wind down of Tricontinental. If we are to attract the expertise we need it would be unrealistic to expect people to accept positions with Tricontinental on any ground other than that they were being given immunity in the way the Bill now provides. It is now very clear that that immunity applies only to appointments that may take place in the future, so the opposition parties are happy with the amendment.

I want to explain that the amendment takes up the concerns that were expressed by the opposition parties and I want to record that the government has given ground in that respect. On that basis we are happy to support the amendment.

Amendment agreed to; amended clause agreed to; clauses 39 to 40 agreed to; Schedules 1 and 2 agreed to.

Reported to House with amendments.

Third reading

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That this Bill be now read a third time.

Hon. R. A. MACKENZIE (Geelong)—No. Mr Acting President, I wish to have my dissent recorded.

The DEPUTY PRESIDENT—Order! I direct that Mr Mackenzie's dissent be recorded.

Motion agreed to.

Read third time.

STATE INSURANCE OFFICE (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. D. R. WHITE (Minister for Industry and Economic Planning).

CUSTODIAN'S REPORT—BLF

Hon. B. W. MIER (Minister for Consumer Affairs) presented Report No. 13 dated 30 November 1990 pursuant to section 7A of BLF (De-recognition) Act by Custodian appointed under section 7 (1).

Laid on table.

PAPERS

Laid on table by Clerk:

Ethnic Affairs Commission—Report and financial statements for the year 1989–90.

Relief Committee—Report and financial statements for the year 1989–90.

Victorian Development Fund—Report for the year 1989–90.

Ordered that reports tabled by Clerk be taken into consideration next day on motion of Hon. HADDON STOREY (East Yarra).

ADJOURNMENT

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I move:

That the Council, at its rising, adjourn until a day and hour to be fixed by the President, which time of meeting shall be notified in writing to each honourable member.

Motion agreed to.

CHRISTMAS FELICITATIONS

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—I take this opportunity to wish all honourable members a merry Christmas, a happy New Year and a well-earned rest. It is, of course, difficult to encapsulate the events of the past year and do justice to them. I want to thank honourable members because we have maintained the traditions and standards set by my predecessor as Leader of the House, Mr Walker.

Honourable Members—Hear, hear!

Hon. D. R. WHITE—We have maintained the traditions he established in conducting the business of the House in a sensible and rational fashion which has helped to maintain the disposition of most members most of the time. In fairness, acknowledgment should be given to the Leader of the Opposition, whose guillotine has helped with the proceedings of the House during the past week. I foreshadow that I hope we can set dates for the next session that might avoid having to extend the session. That is not a promise; that is a pledge!

Honourable members interjecting.

Hon. D. R. WHITE—For me, the best way of encapsulating 1990 is to take into account the words spoken on Melbourne Cup Day by two well-known personalities; one is Steve Crabb, who had a pretty eventful year, particularly when one considers the Premiership of Victoria; and the other is John Elliott. Steve Crabb said, "The only good thing about 1990 is that Collingwood won the grand final", to which John Elliott replied, "Rubbish! The only good thing about 1990 is that it is going to end!" If honourable members think any of us have had a bad time, they might like to reflect on people in less favourable circumstances, taking into account particularly the experiences of Steve Crabb and John Elliott during 1990.

I take the opportunity also of paying tribute to Alan Hunt in his role as President of this Chamber. He has demonstrated himself to be a person of wit, enthusiasm and intelligence. Clearly while some Presidents in the past have possessed some of those qualities and some have possessed none of those qualities, Alan Hunt is outstanding. Those honourable members whose only experience is to have Alan Hunt as President have been spoilt because it is not likely that in the near future they will have a

President who has his qualities. Alan Hunt really is an excellent President. I am sure the Leader of the Opposition shares my view.

Hon. Robert Lawson—He can't wait to pay tribute to him!

Hon. D. R. WHITE—I thank the Chairman of Committees, Ken Wright, for his efficient handling of the Committee process. For example, last night when the House was in Committee for four and a half hours on the Mineral Resources Development Bill honourable members may well have been here until 3 a.m. or 4 a.m. if it had not been for Ken Wright's assistance and cooperation. On behalf of all honourable members, I thank him for his chairmanship of committees and wish him well at Christmas time.

I thank my deputy, Caroline Hogg, for her assistance. It is difficult to provide that assistance when one is handling a major portfolio such as health.

I thank also the new Ministers. I congratulate Brian Mier particularly for his success during this session in the areas of shop, liquor and red meat trading.

Honourable Members—Hear, hear!

Hon. D. R. WHITE—I thank also government backbenchers. It is clearly most difficult for backbenchers in a difficult session because they are constantly under restraint. I thank particularly Theo Theophanous and Licia Kokocinski who during a difficult session have always been available at short notice to handle difficult issues and to support the government.

I thank the Table Officers, Allan Bray, Wayne Tunnecliffe, and Matthew Tricarico, for their efficiency in handling the work of the House. Clearly all honourable members are indebted to their professionalism.

I thank the Whips, Cyril Kennedy and Rob Knowles, particularly Rob Knowles. It is appropriate to single out people who assist in the workings of the House when one is in the circumstance of the government not having a majority. In that circumstance one is particularly dependent on what the Opposition Whip does to ensure members are available, have been properly briefed and are efficient. It is one thing to have a statement of intent on how this House might run, but without the cooperation of the Clerks, the Whips and the President—and particularly in this House during this recent session, without the support and assistance of Rob Knowles—we would not have been able to achieve the standard of practice and customs we currently enjoy.

I thank the *Hansard* staff for their patience with us. To some extent we have assisted in not meeting often beyond midnight. But when we have sought an extension, even during the evening meal break, or beyond midnight, they have assisted us. We are grateful to them and acknowledge their high standard of reporting.

I thank also other members of the staff in the building particularly under most stress during this session, the refreshment room staff. I thank the library and ground staff.

An Honourable Member—And the House Committee!

Hon. D. R. WHITE—I am not sure about how the House Committee has gone; I will leave that for a later time.

I particularly thank George Oliver and wish him well. I have been unable to establish precisely when George's retirement will occur. I am not sure it is not fairly soon.

Hon. K. M. Smith—1996!

Hon. D. R. WHITE—I had heard it might be at an earlier date.

Honourable Members—No, no, no!

Hon. D. R. WHITE—I make it clear that if there were a way of obtaining an extension of the age limit on George's retirement we would extend it, just as the age limit provided for in the Victorian Debt Retirement Fund Bill has been extended. Honourable members would be more than happy to extend the age limit if it would provide them with an opportunity of keeping George here.

Honourable Members—Hear, hear!

Hon. D. R. WHITE—Whatever the standard and conduct of behaviour of honourable members, George sets an impeccable standard for all of us and we are greatly assisted by him, and Wayne and Russel and other members of his staff.

I conclude by wishing all honourable members a merry Christmas. Perhaps I should say, in the days of the Anti-Cancer Council, that I wish you a happy, slip, slop, slap, Christmas—and that does not have a sexual connotation.

Honourable members interjecting.

Hon. D. R. WHITE—I wish you all well and hope all honourable members have a proper break over the Christmas period. I wish all honourable members, their spouses, their children—and, in many cases, their children's children—a merry Christmas and a happy New Year. I look forward to seeing you all at the beginning of the autumn session next year.

Honourable Members—Hear, hear!

Hon. M. A. BIRRELL (East Yarra)—I am pleased to join with the Leader of the Government in extending Christmas felicitations to all honourable members. I note that this year it is nearer the appropriate time and not at the time it was last year, which was about mid-November. This is a more appropriate time as it might be regarded as the start of the Christmas season.

This is also a time to reflect on a new decade as the New Year marks the beginning of the new decade. We look forward to the break. Given that what is said will not be reported in the media because nobody will read the *Hansard* of the last Friday of the session, we can all relax a little already. The last week has shown that all honourable members can endure a great deal and the Christmas break will have been well earned by all.

Christmas is a time to recharge the batteries and recognise that, unfortunately, this year—as happened last year—we have been reminded of our own mortality because of a number of events. Christmas is a good time to get fit rather than to laze around!

It has been a year of change in politics. We have seen the election of a new Premier and the departure of an old Premier; the loss of the Leader of the Government in this House and his replacement. Sir Henry Bolte died, a coalition was formed and now we are formally in a recession.

It has been a year of turbulence both politically and economically. I thought the theme of this year is one that I should pick up in speaking of Parliament. It has been a "financial" year, with the financial implications being more pressing than anything else; the influence of financial matters, liquidity problems and the Budget cuts have certainly been felt close to home.

I am sure I will have taken up the Christmas spirit in remarks I would like to pass in particularly thanking the dining room staff for their tolerance. The way the dining room staff put up with the Joint House Committee is marvellous! To go through the changes and suggestions made by the whiz-kids on the Joint House Committee,

particularly the duo of Mr Weideman and Mr Landeryou—what they have done on our behalf is beyond the call of duty!

The effort they have made in changing the arrangements of the dining room is something we will never forget and certainly the year can be remembered as a time when there were great changes in the quality and quantity of service, and the production of it. Nevertheless, we look forward to next year in the dining room and whatever happens to the Joint House Committee and its controls. The menu has certainly caused indigestion for all and changing the prices has caused hypertension for many—but we will wait and see!

Also there have been cutbacks in places like the Papers Office; great luxuries that we used to enjoy like being able to photocopy items in the Papers Office have been cut off; that age-old privilege died. There was a need to save funds and of course the first thing they looked at for a reduction was the services available to members—and that was done.

It certainly increased my fitness because now, instead of going to the Papers Office to photocopy the odd vital document necessary for my work as a member of Parliament, I walk the entire length of Parliament to the other side of the building to get my photocopying done.

We are now intending to have a facsimile machine installed in my office so I can fax things across to the other side of the building! That request has been made. Therefore, a very substantial capital expense will be incurred as a result of illogical cost savings.

Putting all that to one side, it is a time to thank genuinely the people with whom we have worked throughout the year. Again in the absence of any press coverage, I think we can reflect on the fact that this is a place we actually enjoy and there is something of a team spirit—stressed at times, diluted at others—but nevertheless it is worth remembering at a time like Christmas.

In his absence I would like to thank Mr President for his work and, in your presence, Mr Deputy President, to thank you. The prevailing presence of Alan Hunt is quite clear and distinct. He has served the Chamber with great integrity in the three top positions that can be held in this place and we welcome his continuing contribution.

We say thank you to the Table Officers whose judgment is totally reliable. We always expect immediate advice from the Table Officers and always get it; I never cease to be amazed at the fact that they usually have thought through a problem or anticipated a request well before it has arrived. On behalf of the Opposition I certainly thank them again, as I do the Papers Office, whose staff have always provided a very prompt and courteous service, retrieving the most obscure document and—with the exception of the run-in we had over the photocopying equipment—have never said no to the most logical request.

Last year I paid tribute to the *Hansard* staff and I referred to some of the more interesting incidents we have had with *Hansard* when we receive our transcripts; the delightful way they tighten up speeches, rewrite them, turn them into their own language, and then they are happy with the end product.

Today I collected another transcript and it reminded me of last year when I talked about the incident of a "uranium enrichment" plant, only to have the transcript talk about "uranium in Richmond". This year: I made a speech earlier today on an environmental issue concerning an environment Bill; the typescript came back and instead of putting "environmental" it said that the issue was "entirely mental"!

Nevertheless, I do not want that to be seen as a slur on *Hansard*. I think they are brilliant and tireless in their work; the high quality of their work is something I very much admire.

The Government Printer is someone else who is important for me to thank at Christmas and because of that, I do. The Government Printer has gone through an extraordinary period of change; I have always had difficulties with the Government Printer. I find it rather extraordinary that we have a daily *Hansard* that has never come out daily! I have raised this matter with the Government Printer on frequent occasions and have asked him to call it the bi-weekly *Hansard* or even the weekly *Hansard*. That discussion is continuing but the steps the government has taken to sell the office of the Government Printer have encouraged me. We look forward to the Government Printer enjoying a very good Christmas.

The Parliamentary Library: Bruce Davidson and his staff are to be thanked. The Leader of the Government mentioned how we are served by them, with their willingness to assist honourable members at a moment's notice. I place on public record my commendation for the latest service they have provided, which is a computer printout of press mentions; that has to be one of the most practical ways of finding out what you said, when you said it and why you said it that I have ever seen. It is an example of their forward thinking that they have got it down to that format, providing a service which will reduce a hell of a lot of time normally spent going through old filing cabinets trying to find documents.

Like David White, I also wish to pass on our thoughts and thanks to George Oliver; George is an institution. A day does not go by when George does not have a cheerful welcome in the morning and a cheery goodbye at night—something you cannot say is a common feature of everyone. We usually find it a little tiring when the pressure is on and we forget niceties. I have not encountered such a day with George. We greatly respect his attitude and the role he plays in the standards of this place—standards which can change overnight if they are not defended. To George, Clarrie, Wayne and Russel—thank you very much.

Finally, I thank the other Leaders in this House. To David White in his role as Leader of the Government: I have greatly enjoyed working with him in what is an altogether different role to the role played by Evan Walker, whom we miss, and who set a very important standard. It has been a pleasure to work with David and there is always certainty about our actions.

I thank Bill Baxter for his work, both as Leader of another party—and it is worthwhile being frank—and as a key member of the coalition. Of course we are two separate parties and are quite distinct; we meet separately and are separate. It is amazing how we are very close! To Bill: I welcome the work he has done in supporting us.

Finally, to the true leader of this House, Rob Knowles, my appreciation: to have a Whip whom you can rely on is excellent but to have a Whip to do what you want without having to ask is even better. I am thankful to Rob for the support that he has provided in the complementary role he plays to Cyril Kennedy on behalf of the Liberal Party.

I extend sincere and warm wishes to everyone and their families for Christmas and I hope, as I said at the beginning, that we all recharge our batteries over the summer break.

Hon. W. R. BAXTER (North Eastern)—I join the two other Leaders in the traditional Christmas felicitations. There is not a shadow of doubt that 1990 has been an extraordinarily interesting year and in many respects a stressful year for many of us. There have been many changes both in Victoria and worldwide, with changes in

Eastern Europe, a new Prime Minister in Britain and so forth. It has been a challenging year in our own scene because of the changes but we have had the broader interest of what is happening elsewhere as well. I am sure it must have been an extremely stressful year for Ministers because of the financial and budgetary problems the government has had and, whether or not those problems are self-inflicted, we all appreciate the pressures Ministers have been under this year as they grapple with the problems facing this State.

I thank the officers of the Parliament, in particular, Mr President, for his wit and wisdom. I am not too sure about the versions of the Lord's Prayer that he reads; I hope in 1991 we might be able to standardise the Lord's Prayer so that we are all aware at the opening of each day what version of the Lord's Prayer we will hear.

An honourable member interjected.

Hon. W. R. BAXTER—He deregulated it, is that so?

The Clerks have provided their traditional service to the Parliament as always, and I thank them for that. I often think the Papers Room is the one place in Parliament where people are interrupted more than anyone else. Throughout the day a procession of members goes in and out of the Papers Room wanting this, that and the other thing. Staff in the Papers Room must find those interruptions disruptive to the work they must do but they never show any signs of annoyance; they are always considerably courteous. I appreciate that, as I am sure other honourable members do.

I want to thank the refreshment room staff. It has already been noted that they have been under stress this year because of the changes made. The Leader of the House and Mr Birrell tended to attribute blame for those changes to the Joint House Committee. As one of the members of the Joint House Committee I feel bound to spring to its defence. I think the stress has been brought about by other honourable members who did a bit of rumour-mongering about what the Joint House Committee might be up to, and that put pressure on the refreshment room staff. There have been a number of changes to the longstanding traditions of Parliament, and there were suggestions that there may be less employment or wholesale rearrangements that caused considerable concern and worry. We know how rumours run around in politics, and the rumours that ran around the refreshment rooms were often erroneous, but the permanent staff in particular handled that situation very well.

I pay a particular tribute to George Oliver, as the other Leaders have done. I thoroughly endorse the suggestion made by the Leader of the Government that if it requires legislative amendment to do away with compulsory retirement, we will certainly do it for George in particular, if not generally.

I am one of those people who prides himself on getting here early in the mornings and, no matter what time I arrive at this building, the newspapers are always on my desk. I am not sure what time George gets up. I also thank Mrs Oliver. A number of honourable members, Mr Best and me included, on occasions forget to bring our security passes with us and cannot get into the building. On those occasions we have summoned Mrs Oliver to open the side door and she has always come.

Hon. M. A. Birrell—And the dog!

Hon. W. R. BAXTER—Yes, and the dog. Mr Best and I had an embarrassing occurrence last Monday evening. Mr Best forgot his pass and rang the bell so Mrs Oliver came to the door and let him in. Mr Best saw me walking along the front carriageway and we had a long chat over the fence, he having let the door close behind him. After about 15 minutes I lent him my security card so that he could open the door. When he did so he found, to his embarrassment, Mrs Oliver just inside the door

waiting for him to press the button so that she could let him in for the second time. We thank Mrs Oliver for the generous way and without any complaint she has opened the door for careless people who have forgotten to bring their security passes with them.

I thank the two other Leaders, from whom I have had considerable cooperation and courtesy during the year. With the formation of the coalition one might have thought there would be a tendency by the Labor government to deal only with the Leader of the Opposition, but that has not been so. I have been constantly consulted on various matters and discussed them with him, and I appreciate that. Similarly, Mr Birrell has been extremely generous in the consultation he has provided.

I thank the Whips. I think it is fair to say Mr Knowles is the Whip of the House—I say that without any disrespect to the other two Whips in the Chamber. Mr Knowles has been instrumental in the Chamber running smoothly during the year. I thank my colleagues, particularly my deputy, Mr Hallam, and you, Mr Deputy President and my National Party colleagues, for their friendship during the year. I think I am making progress because not one of them this year has asked for permission to remove his jacket; it has given me some satisfaction to think that my authority is beginning to be taken notice of!

In conclusion, I sound this warning; because of the imbroglio over the refreshment rooms and certain other matters it has been suggested that we should consider a different way of funding Parliament, such as Parliament having its own budget. I hope we would approach such suggestions with caution, lest the Legislative Council be the one to come off second best. Honourable members must remember that this place has fewer members than that place over Queen's Hall, and we have to be cautious in moving down the track towards different budgetary arrangements for Parliament because other mechanisms may not so well serve the interests of the Legislative Council.

I wish everyone the best for Christmas and the New Year. I hope people have the opportunity to take a break, that we all regroup here in 1991 and that it will be a good year.

Hon. ROBERT LAWSON (Higinbotham)—I join the other speakers in wishing everyone well. I have a problem: I find the years are getting shorter! I do not know whether it is the government's fault but it seems this year has lasted only about six months. An enormous amount has been packed into the year; the collapse of the Soviet empire, the falling of the Berlin Wall, as well as our little earthquakes in Victoria—we have lost a Premier, a Deputy Premier and the Treasurer. We even lost the Leader of the Legislative Council, but he received a better prize—he is now the Dean of the School of Architecture. I understand he was one of the architects who designed the City Square. I suppose it was because of that achievement that he was appointed to the School of Architecture.

Of all those losses, the worst loss is one we will suffer yet because the annual report of the Department of the Legislative Council states quite clearly that in the second half of 1990–91 the Housekeeper, Mr G. J. Oliver, will retire. It is there in black and white. That will be our worst loss. We can stand losing a Premier and a Deputy Premier but when we lose our friend George, things are becoming really serious. The House will have to pass a motion to ensure that George Oliver does not leave us so abruptly.

I congratulate the table staff and the dining room staff, who are excellent. We are surrounded by helpful and good people in this place and there is a sense of camaraderie. Friendships are struck across political barriers and I treasure them.

I send my regards to *Hansard*, particularly Maggie Sutherland, one of the senior reporters in that office. For a while now, because of the changes in the dining arrangements of this place, I have been having dinner with the ladies from *Hansard*. Some months ago Maggie asked me to use a certain word in debate but unfortunately I have been too pococurantic to use it, but I have now!

I am sorry to note that Mrs Tehan is thinking of moving to that other place. I have no conception why she or anybody else would want to leave us and go to that bear pit!

I want to correct an injustice that occurred at the President's dinner. Honourable members will recall that I won the prize for the interjection of the year. However, one interjection was not used, and I was disappointed, but it should be entered for consideration next year. It arose during the debate in a Bill on the Hattah-Kulkyne National Park. Some well-meaning person had suggested that all the male kangaroos in the park be castrated so that nature would take its course, or rather not take its course and gradually the population would grow old and die out, thus solving the problem. Honourable members know what the members of the National Party are like when they are confronted with bold, new and visionary ideas like that. They did not like this one. During the course of the debate David Evans decided to weave this story into his speech. He spoke about the difficulty of catching large muscular buck kangaroos and wrestling them to the ground. He thought the mercy team might miss a few vital parts after the roos had lashed out with their hind legs. Our Deputy President was sitting next to Mr Evans at that time and listened approvingly to this speech. Mr Evans then talked about pursuing the kangaroos and averted that the mercy team would have considerable difficulty in catching them. At that point Mr Wright interjected, "Especially if they knew what you were after them for". Unfortunately that interjection did not get into the record! I hope the judges will consider this as an entry for next year.

I thank all honourable members and the staff of the Legislative Council. I have enjoyed it in this place for the past eleven years. I do not know whether I will fall victim at some future time. I was telling Mr Evans today that I am in the same position as the late Billy Snedden. All my delegates would walk over hot coals to help me. That is exactly what Billy Snedden said the day before they chopped him.

Hon. JOAN COXSEDGE (Melbourne West)—Felicitations are one thing, but creating a poem and reciting it is something else. It is a nightmare that seems to recur.

Hon. K. M. Smith—How do you think it is for us when we have to listen to it?

Hon. JOAN COXSEDGE—I think Mr Lawson has the right idea because he has squibbed out of reciting poems and is now relying on anecdotes. As usual, tradition tends to win out in this Chamber. I have laboured over a poem which ranges widely covering issues of local and international interest because much has happened during the past twelve months. I had not given it a name and I will not apologise for it, because it is a great poem for the 1990 Christmas break-up of the Legislative Council.

In trying to cash in on sport
Our Olympics got corporate support
But their plans turned out ill
And as we foot the bill
These shysters turn to their next rort.

The Tricontinental boys muffed
Our banking; they had us all bluffed.
It's worse than it looked
Our goose has been cooked
What's more, it's been thoroughly stuffed.

A Friedmanite pupil named Paul
From on high heard the Lord's final call
But St Peter was rash
He let Paul have the cash
Now the angels are all on the dole.

When to Keating and Hawke it was mooted
That our coffers by sharks had been looted
They screamed "That's not true,
Now let us tell you
Our country is solidly rooted".

There was an iron lady called Thatcher
Who thought that her sins wouldn't catch her
But an EEC call
Caused her final downfall.
Now all the Queen's men cannot patch her.

When someone said "Maggie, come on.
To have been our PM was no fun"
She replied "Not at all,
I was having a ball",
But some thought she had more than one.

East Germans, we hear on the news
No longer are standing in queues
For choice cuts of meat
There's now plenty to eat
But they cannot afford even stews.

We are told about Saddam Hussein
Who's mad and a villain, it's plain
But were he on our side
'Twould be hotly denied;
They'd tell us he's peaceful and sane.

The day of our judgment's at hand
They've drawn up new boundaries, and
With many seats gone
The fighting is on
'Cause where there's no seat, you can't stand.

Let's now fill our glasses with cheer,
With fruit juice, with wine and cold beer;
Let's all drown our sorrow
And dream that tomorrow
Will herald a much better year.

I conclude by wishing everyone associated with the Legislative Council, members and staff, including *Hansard*, Wayne, George, Clarrie and Russel, and all their families all the best for the festive season and a safe and, I hope, peaceful new year.

The DEPUTY PRESIDENT—Order! Before putting the motion I will say a few words. I think most honourable members are aware that I have been thrust into this acting position tonight with very little notice. I was seeking to find guidance and looked in the drawer; there were so many versions of the Lord's Prayer I did not know which one to use.

On behalf of the President, and as Deputy President I thank all honourable members for their support during the year—it is true that the Presiding Officer can do very little without the cooperation of honourable members. It has been an interesting year. The workload has increased markedly over the past few weeks. One of the features I have noticed—many others may not have noticed—is that amendments are going through much more quickly. This is a result of the prior agreement between the parties. Some

honourable members will remember my predecessor, Bill Campbell. He had a magnificent system of charts and about four or five different coloured pencils—there were lines going in all directions. I find the very simple running sheet of the Clerk-Assistant of much more assistance.

I wish to thank every member of staff for their outstanding contribution to the smooth running of the House; we have people of outstanding calibre. My remarks apply equally to the officers at the table and other staff. The Clerk of the Legislative Council, Allan Bray, and the Clerk-Assistant, Wayne Tunnecliffe, give excellent service to the Presiding Officers, and Matthew Tricarico is doing very well in his new post. Gavin Jackson and the Papers Room staff give splendid support, particularly when people like me telephone from Mildura to have the daily *Hansard* posted—although I now have to provide the stamps!

Our Housekeeper, George Oliver, has been mentioned in glowing terms, and rightly so. George is due to retire in April of 1991 and I do not know how we are going to replace him. The former Leader of the House, Evan Walker, once remarked—it is recorded in *Hansard*—that, "George Oliver is greatly beloved by all members". I do not think anyone would dispute that.

Honourable Members—Hear, Hear!

The DEPUTY PRESIDENT—I think all honourable members in their secret moments probably believe they are indispensable. Time shows how wrong we are; there is always somebody waiting to step into our shoes. I am at a loss to wonder who can replace George Oliver in maintaining this Chamber in such splendid condition. He is assisted by Clarrie Quinn and the other officers.

I also refer to people like Neil Gemmill, the gardener—I do not get much opportunity to play tennis these days; we did have a court booked yesterday but there was a double booking—who along with his staff keep the grounds and gardens in an attractive and colourful condition.

I thank the staff of the House Committee and refreshment rooms: Warren McKelvie, the Acting Secretary; Vic Yovanche, the accountant; Brian Worcester, the property manager; and the refreshment room staff, particularly Fran and the other cheerful waitresses. Some, like Shirley Haynes, have been here for many years—I think Shirley has been here longer than I have been in the House.

I extend thanks to the *Hansard* staff led by Les Johns; I marvel at their speed and skill. I have noticed the increase in the number of *Hansard* officers using stenotype machines, rather than pen and paper as in past years. I do not know whether I should mention this, but sitting where I do I also look forward to watching the female members of the *Hansard* staff in their colourful garb—it all makes this place more interesting. The daily *Hansard* is of great value to honourable members.

I refer to the Parliamentary Library, manned by Bruce Davidson, the Librarian, and the efficient, obliging library staff. Not all honourable members would be aware of the excellent services the library provides. Mr Birrell referred to the excellent service one receives in relation to the mentions one gets in the metropolitan media.

The President would like me to thank the party Leaders and their deputies for their kindness and courtesy to him and his deputy during the year. David White is a man of great ability and a realist; a man who gets the job done. We all appreciate the fact that the House has not been sitting until 2 or 3 o'clock in the morning as has been the case in past years. Mark Birrell, Leader of the Opposition, and Bill Baxter, Leader of the National Party, have both made excellent cooperative contributions to the running of the House.

As Chairman of Committees I refer to the assistance received from Temporary Chairmen of Committees when they have been called upon to assist me. That has not been required as much as usual because most honourable members will have noticed that the President has been indefatigable in his work in the Chamber. There have been times when he has presided over proceedings for longer than 4 hours without a break.

I thank the party Whips—Cyril Kennedy, Robert Knowles and Roger Hallam—whose contributions have been a big factor in the smooth running of the House.

I extend thanks to the President's secretary Yolande Meerwald, a comparatively new appointment; his orderly Wayne; his chauffeur Graham, who is indisposed; and John, the replacement chauffeur.

Finally, on behalf of the President and myself, I thank all honourable members for the friendship and cooperation they have extended to us and wish them and their families a happy Christmas. I hope you all return—we are not sure exactly when—invigorated and ready for another productive period.

Motion agreed to.

BUILDING SOCIETIES (PRUDENTIAL STANDARDS) BILL

Message read from Assembly transmitting correction of clerical error.

Council concurred with Assembly's correction of error.

ENVIRONMENT PROTECTION (FEES AND PENALTIES) BILL

Message from Assembly relating to Council's suggested amendments made by Assembly considered.

Committed.

Committee

Resumed from earlier this day; further discussion of postponed clause 6.

Amended clause agreed to.

Reported to House without further amendment.

Passed remaining stages.

House adjourned 10.5 p.m.

QUESTIONS ON NOTICE

PARKING INFRINGEMENT NOTICES

(Question No. 445)

Hon. G. B. ASHMAN (Boronia) asked the Minister for Housing and Construction for the Minister for Transport:

(*a*) How many parking infringement notices have been issued under the Road Safety (Procedures) Regulations 1988, indicating the total amount of fines imposed?

(*b*) How many notices have been issued contrary to the provisions of those regulations, indicating—(i) the number of fines that have been paid on the issue of invalid notices; (ii) the number that have been refunded by the Metropolitan Transit Authority; and (iii) the number that have not been proceeded with?

(*c*) How many staff have been employed in the traffic infringement area by the authority since the regulations were promulgated, indicating the total cost of these staff, including office support staff?

Hon. B. T. PULLEN (Minister for Housing and Construction)—The answer supplied by the Minister for Transport is:

It is assumed that the honourable member's question relates to parking infringement notices issued only by the Public Transport Corporation. On this basis, the Minister for Transport has advised that:

1. Parking infringement notices issued by the corporation under the Road Safety (Procedures) Regulations 1988, total 18 722. The total amount of fines collected since the regulations were made on 9 February 1988 is $310 128.

2. The corporation's records indicate that parking infringement notices have been issued and are proceeded with properly, in accordance with the current legislation.

3. The Public Transport Corporation employs six (6) personnel in the traffic infringement area (Transit Patrol Parking Infringement Squad), comprising four (4) outdoor staff (Transit Patrol Officers) and two (2) office staff (administrative support) for the processing of transport infringement notices, appeals and court preparation. The normal duties of the Transit Patrol Parking Squad involve patrolling all Public Transport Corporation car parking areas and general patrols across the transport system. These members are also involved in a crime prevention role; consequently, their full time is not spent on traffic infringement matters. Since 9 February 1988, the total cost of these personnel has been $406 138.

JOURNALISTS QUALIFICATIONS—MINISTRY FOR THE ARTS

(Question No. 524)

Hon. G. B. ASHMAN (Boronia) asked the Minister for Health, for the Minister for the Arts:

What staff have journalists' qualifications and are employed either full or part-time within the Ministry, the department, or any of its agencies, respectively, indicating in each case—(i) their name; (ii) when they were first employed; (iii) the last media outlet they worked for; (iv) their rate of pay; and (v) whether they ever worked within the Government Media Unit?

Hon. C. J. HOGG (Minister for Health)—The answer supplied by the Minister for the Arts is:

The time and resources necessary to conduct an audit of the qualifications of all staff employed within the Ministry and its agencies could not be justified.

While there are no positions within the Ministry which require mandatory journalism qualifications, an audit of positions likely to attract a person with journalism qualifications has been conducted. These positions include those designated by titles as publicity manager, public affairs manager, or press relations officer.

Only one such position is filled by a person with journalism qualifications. The position is a press relations officer attracting a salary range of $30 386 to $33 990 per annum. The person, who commenced duty in June 1990, has not consented to the release of other details sought in the question on the basis that it would breach personal confidentiality.

RETIREMENT COUNSELLING SEMINARS—COMMUNITY SERVICES VICTORIA

(Question No. 634)

Hon. B. A. E. SKEGGS (Templestowe) asked the Minister for Health, for the Minister for Community Services:

In regard to each department, agency and authority within the Minister's administration:

(*a*) How many retirement counselling seminars have been government funded or sponsored in 1989–90, indicating—(i) how many employees who have reached 50 years of age have attended; (ii) which person or organisation conducted the seminars, and what numbers could be accommodated at each seminar; and (iii) how many employees were eligible to apply to attend those seminars?

(*b*) What action is being taken to provide retirement counselling to employees within the Minister's administration?

Hon. C. J. HOGG (Minister for Health)—The answer supplied by the Minister for Community Services is:

1. (*a*) There were no retirement counselling seminars held by the department in 1989–90.

However, the State Superannuation Board and the State Employees Retirement Board provide retirement counselling on request to all officers/employees who are planning to retire.

(*b*) The counselling is provided to each individual by a field officer—counselling is not provided to groups.

(*c*) For the year 1989–90, 1003 staff were eligible to receive counselling.

2. The current service provided by the State Superannuation Board and State Employees Retirement Board is considered adequate and no plans are being made to sponsor any for CSV in particular.

RETIREMENT COUNSELLING SEMINARS—HEALTH DEPARTMENT VICTORIA

(Question No. 639)

Hon. B. A. E. SKEGGS (Templestowe) asked the Minister for Health:

In regard to each department, agency and authority within the Minister's administration:

(*a*) How many retirement counselling seminars have been government funded or sponsored in 1989–90, indicating—(i) how many employees who have reached 50 years of age have attended; (ii) which person or organisation conducted the seminars, and what numbers could be accommodated at each seminar; and (iii) how many employees were eligible to apply to attend those seminars?

(*b*) What action is being taken to provide retirement counselling to employees within the Minister's administration?

Hon. C. J. HOGG (Minister for Health)—The answer is:

(*a*) Health Department Victoria staff were sponsored at four retirement counselling seminars in 1989–90.

(i) A total of nineteen employees attended.

(ii) The Victorian Public Service Association conducted the seminars, each of which could accommodate up to 100 people.

(iii) 1488 employees.

(*b*) The health department will continue to provide counselling and advice to all prospective retirees, on retirement procedures, and on how to obtain detailed and specific information concerning superannuation and other benefits. The health department will also continue to sponsor all eligible employees and their partners, to attend pre-retirement seminars planned to be conducted by the Victorian Public Service Association.

RETIREMENT COUNSELLING SEMINARS—LOCAL GOVERNMENT DEPARTMENT

(Question No. 643)

Hon. B. A. E. SKEGGS (Templestowe) asked the Minister for Local Government:

In regard to each department, agency and authority within the Minister's administration:

(*a*) How many retirement counselling seminars have been government funded or sponsored in 1989–90, indicating—(i) how many employees who have reached 50 years of age have attended; (ii) which person or organisation conducted the seminars, and what numbers could be accommodated at each seminar; and (iii) how many employees were eligible to apply to attend those seminars?

(*b*) What action is being taken to provide retirement counselling to employees within the Minister's administration?

Hon. M. A. LYSTER (Minister for Local Government—The answer is:

1. The Local Government Department did not fund or sponsor any retirement counselling for its staff during 1989–90.

2. Staff of the Local Government Department approaching retirement age are able to apply for leave to attend retirement planning courses/counselling held during working hours and conducted by the superanuation boards and unions.

SPONSORSHIP FUNDS—LOCAL GOVERNMENT DEPARTMENT

(Question No. 654)

Hon. G. B. ASHMAN (Boronia) asked the Minister for Local Government:

In respect of each department, authority or agency under her administration:

(*a*) What funds have been given to sporting bodies, organisations or clubs in the form of sponsorship, indicating, in each case—(i) the name of the sporting group and the government agency; (ii) the amount of sponsorship; (iii) the period of sponsorship; (iv) the basic terms upon which the sponsorship was given; (v) the activity being promoted by the sponsorship; and (vi) whether the sporting group is privately owned or has limited membership?

(*b*) In each of the above cases what sponsorship funds directly benefited—(i) less than 20 active participants; (ii) more than 20 but less than 50 active participants; (iii) more than 50 but less than 100 active participants; and (iv) more than 100 active participants?

Hon. M. A. LYSTER (Minister for Local Government)—The answer is:

The Local Government Department does not provide funds to sporting bodies, organisations or clubs in the form of sponsorship.

CONTAMINATION OF GOVERNMENT SITES—SOUTH MELBOURNE AND BALLARAT

(Question No. 674)

Hon. M. A. BIRRELL (East Yarra) asked the Minister for Industry and Economic Planning:

In relation to the Gas and Fuel Corporation property on the corner of Graham and Foote Street, South Melbourne, and the State Electricity Commission property on the corner of Midland Highway and Norman Street, Ballarat:

(*a*) What testing and analysis has been conducted of the contamination of each site?

(*b*) What clean up activities have or will occur in respect of each property?

(*c*) What precise use does the government now have in mind for each site?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The answer is:

Gas and Fuel Corporation property on the corner of Graham and Foote Street, South Melbourne:

Some preliminary testing and analysis at the site has occurred. Test pits were dug in the Graham Street building and in the courtyard. Material from these pits was analysed for lead, mercury, copper, chromium, tin, zinc, cadmium and nickel and the results passed to the EPA. The EPA has advised the corporation that those tests indicate shallow soil contamination by lead and to a lesser extent by tin, copper, cadmium, zinc and phenol but that the extent of contamination has not been demonstrated and validation testing will be necessary.

Until testing of the site is completed, it cannot be determined what clean-up activities will have to be undertaken. However, close liaison with the Environment Protection Authority's Contaminated Site Group will ensure that the testing and analysis is satisfactory to properly characterise the site and suitable clean-up strategy formulated.

As the land is surplus to its requirements, the corporation intends to sell the site. Its future use will, therefore, depend on the purchaser of the property and planning approvals. Interest in purchasing all or part of the site has been expressed by the Urban Land Authority.

The State Electricity Commission property on the corner of Midland Highway and Norman Street, Ballarat:

The State Electricity Commission is conducting testing, analysis and clean-up activities at the property on the corner of the Midland Highway and Norman Street, Ballarat, in strict accordance with the clean-up notice of 20 September 1990 issued by the Environment Protection Agency.

Negotiations for the sale of the site are proceeding with the Shire of Ballarat, which is interested in purchasing it on behalf of a community-based group.

DRIVER LICENCE CENTRES

(Question No. 667)

Hon. G. B. ASHMAN (Boronia) asked the Minister for Local Government for the Minister for Police and Emergency Services:

For each of the Road Traffic Authority's driver licence centres:

(*a*) How many testers were employed at each centre as at 30 June in each of the past three years?

(*b*) How many tests were conducted in each of the past three years?

(*c*) How many applicants received their licence on the first attempt and on subsequent attempts?

(*d*) What was the total overtime worked by testers at each centre in each of the past three years?

Hon. M. A. LYSTER (Minister for Local Government)—The answer supplied by the Minister for Police and Emergency Services is:

The Minister for Transport has reiterated advice provided in reply to the honourable member's question on notice No. 485—

(*a*) This information is not available because statistics in respect of licence testers were not grouped separate to the equivalent staff classifications prior to 1990. However, there were 289 licence testers employed by the Roads Corporation (VIC ROADS) as at 30 August 1990. This figure does not include members of the Victoria Police, who also undertake licence testing activities.

(*b*) & (*c*) The table shown in the answer to question No. 485 details the tests conducted at each district office in 1988, 1989 and 1990 to August. While the percentage of successful first attempt is not recorded, the table does indicate the number who passed and failed.

In respect of (*d*), the Minister has advised that VIC ROADS does not record statistics that relate specifically to overtime worked by testers. To extract the information would require extensive analysis of individual time sheets for the past three years which is beyond the limited resources of the agency and could not be justified.

LIAISON OFFICER—DEPARTMENT OF INDUSTRY AND ECONOMIC PLANNING

(Question No. 677)

Hon. M. A. BIRRELL (East Yarra) asked the Minister for Industry and Economic Planning:

Which of the bodies within the Minister's responsibility have a Parliamentary liaison officer, indicating in each case the department, Ministry or agency concerned, the name of the officer, and that person's salary and previous occupation?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The answer is:

There is no established position of Parliamentary liaison officer within the portfolio. Various officers within the department and its agencies liaise with members of Parliament from time to time depending on the subject matter.

LIAISON OFFICER—VICTORIAN GOVERNMENT MAJOR PROJECTS UNIT

(Question No. 679)

Hon. M. A. BIRRELL (East Yarra) asked the Minister for Major Projects:

Which of the bodies within the Minister's responsibility have a Parliamentary liaison officer, indicating in each case the department, Ministry or agency concerned, the name of the officer, and that person's salary and previous occupation?

Hon. D. R. WHITE (Minister for Major Projects)—The answer is:

The Major Projects Unit does not employ a Parliamentary liaison officer. Parliamentary matters are dealt with by the person within the unit responsible for the particular issue raised.

EXCESS LAND—MINISTRY FOR THE ARTS

(Question No. 683)

Hon. G. P. CONNARD (Higinbotham) asked the Minister for Health, for the Minister for the Arts:

Further to the answer to question No. 467 given in this House on 9 October 1990:

(*a*) Has a review taken place to determine which excess land or property owned or tenanted by the Ministry for the Arts and its agencies of the Crown is proposed to be sold or disposed of and, if so—(i) who were the departmental officers associated with the review; (ii) what recommendations have been made and, if they have not been made, when will they be made; and (iii) what was the review process?

(*b*) When will the Minister be able to advise what is considered to be excess land or properties?

Hon. C. J. HOGG (Minister for Health)—The answer supplied by the Minister for the Arts is:

(*a*) Consistent with the government's policy on asset management, as detailed in Budget Paper No. 6, the Ministry for the Arts regularly reviews its assets. In respect of properties occupied by the Ministry, it should be noted that apart from the sites of the major arts institutions (National Gallery, State Library and Museum, Victorian Arts Centre) and the leased premises for the Ministry's head office, and Film Victoria, the only property owned by the Ministry is a warehouse building, housing laboratory and exhibit preparation areas as well as providing off-site storage for the museum, State Library and Ministry head office.

(*b*) None of the Ministry's properties has been identified as excess to requirements.

CONSULTANT JOURNALIST—MAJOR PROJECTS UNIT

(Question No. 692)

Hon. M. A. BIRRELL (East Yarra) asked the Minister for Major Projects:

In relation to the consultant journalist engaged by the Major Projects Unit who previously worked for the Government Media Unit:

(*a*) What is the person's name?

(*b*) When was that person appointed as a consultant?

(*c*) On what date was the consultant engaged and were any other people contracted or interviewed for the position; if so, how many and on what dates?

(*d*) What funds have been paid to the consultant?

(*e*) How long does the consultancy agreement last?

Hon D. R. WHITE (Minister for Major Projects)—The answer is:

The consultant referred to is engaged on a part-time basis to provide editorial advice and undertake work associated with the preparation of the annual report and the publication of brochures and newsletters for specific projects and other related material.

(*a*) Name: Disclosure would be a breach of personal confidentiality

(*b*) Date of Appointment: 8 October 1987

(*c*) Date of Engagement: 8 October 1987

Others Interviewed: No others were interviewed

(*d*) Amounts paid: $69 805

(*e*) Period of Consultancy: Reviewed regularly. Currently six months.

OVERSEAS TRAVEL—MINISTER FOR INDUSTRY AND ECONOMIC PLANNING

(Question No. 693)

Hon. G. P. CONNARD (Higinbotham) asked the Minister for Industry and Economic Planning:

(*a*) What overseas trips has the Minister made during each of the past four financial years and in this year to date?

(*b*) In relation to each trip—(i) what was the purpose; (ii) what countries were visited; (iii) what was the time away from Victoria; and (iv) what total amount was paid, including allowances?

(*c*) Was the Minister's spouse included in any trip?

(*d*) What staff were taken on each trip and what was the cost of their travel, including expenses?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The answer is:

1986–87

(*a*) Hon. Robert Fordham

(*b*) (i) To hold discussions with key government officials and businessmen re: investment in Victoria

(ii) Hong Kong, Japan and China

(iii) 16 August 1986—8 September 1986

(iv) $11 803.94

(*c*) Yes

(*d*) C. Heseltine, A. Herington, J. Lim, L. Zalk. Cost $37 903.40.

1986–87

(*a*) Hon. Robert Fordham

(*b*) (i) To hold discussions on the Light Rail Project

(ii) Japan, Hong Kong

(iii) 13 May 1987—24 May 1987

(iv) $10 101

(*c*) No

(*d*) B. Hartnett. Cost $10 101.

1987–88

(*a*) Hon. Robert Fordham

(*b*) (i) To attend the Victoria/Jiangsu Joint Economic talks in Nanjing

(ii) Hong Kong and China

(iii) 26 May 1988 to 4 June 1988

(iv) $13 263.20

(*c*) Yes

(*d*) H. Eisen, K. Badenoch, M. Day, L. Beyer. Total cost $30 168.90.

1988–89

(*a*) Hon. Robert Fordham

(*b*) (i) To hold discussions with the Governor and senior officials of Michigan State, key people in Ford, General Motors, major component suppliers and automotive industry representatives regarding the development of a production facility for the Sarich orbital combustion process engine.

(ii) USA

(iii) 13 July 1988—17 July 1988

(iv) $6780.11

(*c*) No

(*d*) H. Eisen, H. Silver. Total cost $15 520.54.

1988–89

(*a*) Hon. Evan Walker

(*b*) (i) To participate in formal discussions relating to the ANZAC ships project

(ii) New Zealand

(iii) 28 November 1988—29 November 1988

(iv) $1575.00

(*c*) No

(*d*) M. Boland, G. Haslegrove, B. Sharp. Cost $5773.00.

1988–89

(*a*) Hon. David White

(*b*) (i) To participate in formal discussions relating to the ANZAC ships project

(ii) New Zealand

(iii) 24 February 1989—25 February 1989

(iv) $2002.16

(*c*) No

(*d*) P. Worland, P. Herington. Total cost $5677.74.

1989–90

No overseas travel was undertaken by the Minister.

1990–91

No overseas travel was undertaken by the Minister.

OVERSEAS TRAVEL—VICTORIAN GOVERNMENT MAJOR PROJECTS UNIT

(Question No. 715)

Hon. G. P. CONNARD (Higinbotham) asked the Minister for Major Projects:

What officials within the Ministry, the department and its agencies have received overseas trips during 1989–90 and in 1990–91 to date, indicating the—(i) position held; (ii) purpose of the trip; (iii) countries visited; and (iv) amount paid, including allowances and expenses?

Hon. D. R. WHITE (Minister for Major Projects)—The answer is:

No staff have received overseas trips during 1989–90 or 1990–90. One staff member has, however, undertaken some official duties while on a personal overseas trip.

Position:	Project Director
Purpose:	Study of London Docklands Redevelopment
Country:	England
Amount Reimbursed:	$366.62

OVERSEAS TRAVEL—COMMUNITY SERVICES VICTORIA

(Question No. 726)

Hon. G. P. CONNARD (Higinbotham) asked the Minister for Health, for the Minister for Community Services:

What officials within the Ministry, the department and its agencies have received overseas trips during 1989–90 and in 1990–91 to date, indicating the—(i) position held; (ii) purpose of the trip; (iii) countries visited; and (iv) amount paid, including allowances and expenses?

Hon. C. J. HOGG (Minister for Health)—The answer supplied by the Minister for Community Services is:

In 1989–90 two officers undertook overseas trips:

1. (i) General Manager, Resources; (ii) to study client services and resource management technology, reporting systems and accountability systems; (ii) Canada, United States, Ireland, United Kingdom; (iv) $8926.

2. (i) Manager, Adoption and Permanent Care Services; (ii) attending the Hague Conference on Intercountry Adoption; (iii) Holland; (iv) $6320. This officer represented all Australian States, therefore the cost was shared between welfare departments.

In 1990–91, to date, no officers have undertaken overseas trips.

REGIONAL DEVELOPMENT PROGRAM

(Question No. 739)

Hon. B. A. CHAMBERLAIN (Western) asked the Minister for Industry and Economic Planning:

In relation to the Premier's announcement on 12 October 1990 of a new regional development program:

(*a*) What is the budget for expenditure of $40 million referred to in the statement, including a detailed dissection of expenditure?

(*b*) What criteria will be used to determine whether specific firms are eligible for financial assistance?

(*c*) Is the amount of $40 million additional to the funds referred to in the answer to question No. 570 given in this House on 30 October 1990?

(*d*) What is the estimated cost of the magazine *Country Link,* how many copies will be distributed, and to whom?

(*e*) Does the amount of $40 million include the existing Regional Development Program?

(*f*) What amount is provided for future regional infrastructure and how will this be allocated?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The answer is:

(*a*) The estimated cost of the project is expected to be $40m over a three year period commencing 1990–91. The budget breakdown for the 1990–91 year is as follows, however the expenditure patterns between categories may vary:

	$
Salaries	1 485 554
Payroll Tax	96 792
Operating Expenses	111 000
Development Body Support	1 958 250
Regional Infrastructure	730 000
Business Plans	452 000
Strategic Regional Initiatives	3 185 440
Regional Commissions	4 629 900
	12 643 936

(*b*) The department has specific criteria with the emphasis on international competitiveness and viability. Size and ownership of a firm will not be a bar to eligibility for financial assistance.

Preference will be given to proposals that possess as many of the following characteristics:

development or application of new technologies leading to the production and export of high value-added products;

other business initiatives that lead to increased export activity directly or indirectly, or import substitution which has export prospects in the longer term. In the case of increased exports, there will be a preference for greater international export activity, but interstate export initiatives will also qualify where a base is being built for international exports;

clearly demonstrate a commitment to embark upon and deliver an improvement expansion of the business through its current possession of a well developed and comprehensive business plan;

the client's commitment and ability to deliver the subject economic actions and benefits. In this context, the department should ensure that any business plan evaluates the strength of the client in management, its manufacturing/production technology, markets for the relevant products, quality/availability of its resources, and the on-going financial viability of the company.

Firms in target regional areas of the State can be evaluated under the regional financial assistance scheme, the main objective being to assist and encourage regional economic development through the provision of financial assistance, advice and support of selected regional initiatives.

Some modification will be needed to take into account additional initiatives recently announced by the Premier, for example:

business planning assistance being extended to firms within the tourism sector;

relocation of selected city based firms to provincial centres;

(*c*) It is a $40m program over three years. It includes all costs of delivering the program over that period and some of those costs have already been incurred in this financial year. Other assistance has been offered but is yet to be accepted or alternatively the organisation concerned has yet to complete its component of the arrangement.

A small number of the cases would have previously been shown in the answer given to question No. 570 and still show as commitments against the program.

(*d*) The estimated yearly cost of the *Country Link* magazine is $73 950.

The expected quantity is 3000 copies.

The distribution list will include regional Victorian Parliamentarians, regional municipalities development bodies, regional business associations, CEO's of government departments and agencies, educational institutions, media outlets and targetted firms and other persons expressing an interest in regional development.

(*f*) An amount of $730 000 has been budgetted for in 1990–91. Similar amounts will be budgetted for in 1991–92 and 1992–93 with the emphasis being on projects that fall within the Level Two major provincial centres (Ballarat, Bendigo and Shepparton) and the Level Three regional centres.

The projects will be geared towards the provision of services primarily to support industrial growth and commerical development for the benefit of the whole community through local government agencies.

All projects are assessed in terms of the overall budget and the expected outcomes.

This program will be expanded to include assistance with strategic planning for future infrastructure requirements.

GRANTS PROVIDED TO VARIOUS COMPANIES

(Question No. 743)

Hon. B. A. CHAMBERLAIN (Western) asked the Minister for Industry and Economic Planning:

Further to the answer to question No. 570 given in this House on 30 October 1990, and in relation to Cima Electronics, A. F. Gason, Hu-metal Engineering, Alloume Foods, Wilson Electric Transformer, Aurora Tools, Advanced Manufacturing, Australia Wire Ind., Effem Foods, Australia Standard Electrical, Empire Rubber, Bendix Mintex, H. J. Heinz, Bonlac Foods, Heavy Engineering Manufacturing, Boral Cyclone, Pacific Dunlop, Bruck (Australia), South Pacific Tyres, Bunge, C. E. Clements, C.S.R. Timber, Flexdrive Industries, Hilton Fabrics, John Valves, McPhersons, Mildara Wines, Nylex, I.C.I. Australia Operations, Andrew Engineering, Advanced Manufacturing Technologies, Australia Marine Engineering, Nissan Motors, Corporate Enterprise Development, National Protocol Support Centre, Joe White Maltings and Space Time Research:

(*a*) What was the specific purpose of the government's assistance to those companies and what impact did the investment have on employment within each company?

(*b*) Where are those employees located?

(*c*) To which of those companies are there commitments to provide further funds beyond the 1989–90 financial year?

Hon. D. R. WHITE (Minister for Industry and Economic Planning)—The answer is:

The answer to this question is in the attachment. In relation to the impact on employment as a result of these grants, monitoring of the employment levels is only carried out where employment generation is a specific requirement of the grant.

Reappraisal of grants by the department has identified additional grants falling within the criteria of question No. 570. These grants are included in the answer to question No. 743 where appropriate, and identified in a supplementary list.

Attachment referred to is as follows:

Company Name	*Date Paid*	*Grant Purpose*	*Job Impact*	*Job Location*	*Commit. To Pay Further Funds*
A. F. Gason	6.10.89	Details Study	N/A		Nil
A. F. Gason	31.5.89	New Equipment	N/A		Nil
Advanced Manufacturing (AMTEC)	10.5.90	Operating Grant	N/A		Nil
Advanced Manufacturing (AMTEC)	25.1.90	Operating Grant	N/A		Nil
Advanced Manufacturing (AMTEC)	30.11.89	Operating Grant	N/A		Nil
Advanced Manufacturing (AMTEC)	18.5.89	Operating Grant	N/A		Nil
Advanced Manufacturing (AMTEC)	4.5.90	Duty on Debenture	N/A		Nil

Company Name	*Date Paid*	*Grant Purpose*	*Job Impact*	*Job Location*	*Commit. To Pay Further Funds*
Advanced Manufacturing (AMTEC)	18.1.89	Operating Grant	N/A		Nil
Advanced Manufacturing (AMTEC)	25.1.89	Feasibility Study	N/A		Nil
Advanced Manufacturing (AMTEC)	31.5.89	Operating Grant	N/A		Nil
Allowrie Foods Australia Ltd	23.6.89	New Equipment	N/A		Nil
Andrew Engineering Pty Ltd	7.9.89	Business Plan	2 Jobs	West Heidelberg	Yes
Andrew Engineering Pty Ltd	7.9.89	Cad/Cam			Yes
Andrew Engineering Pty Ltd	14.6.90	Key Person			Yes
Andrew Engineering Pty Ltd	25.5.89	Cad/Cam			Yes
Andrew Engineering Pty Ltd	27.4.89	Business Plan			Yes
Andrew Engineering Pty Ltd	1.3.90	Quality Manual			Yes
Andrew Engineering Pty Ltd	12.4.90	Cad/Cam Review			Yes
Andrew Engineering Pty Ltd	16.11.89	Business Plan			Yes
Aurora Tools Ltd (Inc. Vic)	11.1.90	Plant Rationalisation	Maintain 160	Hamilton	Nil
Aurora Tools Ltd (Inc. Vic.)	15.6.89	Plant Rationalisation		Hamilton	Nil
Aurora Tools Ltd (Inc. Vic.)	19.5.89	Interest Subsidy	N/A		Nil
Aust. Marine Eng. Con. Ltd	6.4.90	Cad/Cam	N/A		Yes
Aust. Marine Eng. Con. Ltd	6.10.89	Cad/Cam	N/A		Yes
Aust. Marine Eng. Con. Ltd	6.10.89	Public Relations	N/A		Nil
Aust. Marine Eng. Con. Ltd	7.3.90	Training and Research	N/A		Nil
Aust. Marine Eng. Con. Ltd	8.2.90	Feasibility Study	N/A		Nil
Aust. Marine Eng. Con. Ltd	8.6.89	Promotion	N/A		Nil
Aust. Marine Eng. Con. Ltd	14.12.89	Cad/Cam	N/A		Yes
Aust. Marine Eng. Con. Ltd	14.6.90	Feasibility Study	N/A		Nil
Aust. Marine Eng. Con. Ltd	15.6.89	Cad/Cam	N/A		Yes
Aust. Marine Eng. Con. Ltd	17.8.89	Cad/Cam	N/A		Yes
Aust. Marine Eng. Con. Ltd	18.6.90	Cad/Cam	N/A		Yes
Aust. Marine Eng. Con. Ltd	18.5.89	Promotion	N/A		Nil
Aust. Marine Eng. Con. Ltd	23.6.89	Nelson St Upgrade	N/A		Nil
Aust. Marine Eng. Con. Ltd	23.11.89	Cad/Cam	N/A		Yes
Aust. Marine Eng. Con. Ltd	24.5.90	Cad/Cam	N/A		Yes
Aust. Marine Eng. Con. Ltd	25.1.90	Cad/Cam	N/A		Yes
Aust. Standard Electrical	8.6.89	Interest Subsidy	Maintain/125 Achiev/114	Benalla	Nil
Aust. Wire Industries	18.5.89	New Equipment	N/A		Nil
Bendix Mintex Pty Ltd	8.6.89	New Equipment	N/A		Nil
Bonlac Foods Ltd	23.6.89	Plant Modification	N/A		Nil
Boral Cyclone Ltd	23.6.89	Upgrade Facility	N/A		Nil
Bruck Aust. Ltd	18.1.89	Plant Upgrade	Maintain 670	Wangaratta	Nil
Bruck Aust. Ltd	17.8.89	Plant Upgrade			Nil
Bruck Aust. Ltd	22.6.90	Plant Upgrade			Nil
Bunge Aust. Pty Ltd	8.6.89	New Equipment	N/A		Nil
C.E.D. (Vic.) Pty Ltd	4.1.90	Product Development/ Training	1 Job	Western Suburbs	Nil
C.E.D. (Vic.) Pty Ltd	7.12.89	Product Development/ Training			Nil
C.E.D. (Vic.) Pty Ltd	10.5.90	Product Development/ Training			Nil
C.E.D. (Vic.) Pty Ltd	23.8.90	Product Development/ Training			Nil
C.E.D. (Vic.) Pty Ltd	26.10.89	Product Development/ Training			Nil
C.E.D. (Vic.) Pty Ltd	31.8.89	Product Development/ Training			Nil
Cima Electronics	2.8.90	Micro Elect Awareness Program	N/A		Nil
Cima Electronics	6.4.90	Brochures	N/A		Nil
Cima Electronics	8.6.90	Micro Elect Awareness Program	N/A		Nil
Cima Electronics	17.5.90	W C M & Bus. Plan	N/A		Nil

Company Name	*Date Paid*	*Grant Purpose*	*Job Impact*	*Job Location*	*Commit. To Pay Further Funds*
Cima Electronics	23.6.89	Contracted Service re Vendor Qualification Activities			
Cima Electronics	23.6.89	Printed Circuit Board Study	1	Oakleigh	Nil
Cima Electronics	23.6.89	Tech. Transfer	1	Oakleigh	Nil
Cima Electronics	23.6.89	Training in Surface Mount Tech.	N/A		Nil
Cima Electronics	30.3.90	W C M & Bus. Plan	N/A		Nil
Clements C. E. & Co. Pty Ltd	15.6.89	New Equipment	N/A		Nil
CSR Timber Products	23.6.89	New Equipment	N/A		Nil
Effem Foods Pty Ltd	1.2.90	Training	N/A		Nil
Effem Foods Pty Ltd	23.6.89	Training	N/A		Nil
Empire Rubber (Aust.) Pty Ltd	23.8.89	New Equipment	N/A		Nil
Empire Rubber (Aust.) Pty Ltd	23.6.89	New Equipment	N/A		Nil
Empire Rubber (Aust.) Pty Ltd	31.5.90	Quality Program	N/A		Nil
Empire Rubber (Aust.) Pty Ltd	31.5.90	Quality Control	N/A		Nil
Flexdrive Industries Ltd	6.4.90	Product Design	N/A		Nil
Flexdrive Industries Ltd	25.5.89	New Equipment	N/A		Nil
H. J. Heinz Co. Aust. Ltd	15.6.89	Infrastructure	6 Perm—30 Casual	Girgarre	Nil
Heavy Engineering Manufacturers	25.1.89	Assistance to Industry	N/A		Nil
Hilton Fabrics	12.1.89	New Equipment	N/A		Nil
Hu Metal Engineering Pty Ltd	23.8.90	Cad/Cam Equipment	3 Jobs	Thomastown	Yes
Hu Metal Engineering Pty Ltd	27.4.89	Key Person	3 Jobs	Thomastown	Yes
ICI Australia Operations P/L	15.6.89	Relocation Plant	N/A		Nil
Joe White Maltings Pty Ltd	22.6.90	Upgrade Equipment	Maintain 35	Ballarat	Nil
John Valves	8.2.90	New M.I.S.	N/A		Nil
John Valves	8.6.89	Equip Rationalisation	N/A		Nil
John Valves	17.5.90	New M.I.S.	N/A		Nil
McPherson's Ltd	18.1.89	New Equipment	N/A		Nil
Mildara Wines Ltd	23.6.89	* New Equipment	N/A		Nil
National Protocol Support Centre	8.2.90	Technology Transfer	(12) 2 Syd 10 Melb	Syd/Melb	Nil
Nissan Motor Manufrs	7.6.90	Training/R & D	N/A		Yes
Nylex Corporation Ltd	10.5.90	Training Program	N/A		Nil
Nylex Corporation Ltd	23.6.89	Product Development	N/A		Nil
Nylex Corporation Ltd	30.3.89	Market Research	N/A		Nil
Nylex Corporation Ltd	30.3.89	Market Research	N/A		Nil
Pacific Dunlop Ltd	6.4.90	New Equipment	Maintain 810	Geelong/Horsham	Nil
Pacific Dunlop Ltd	12.1.89	New Equipment	Maintain 810	Geelong/Horsham	Nil
South Pacific Tyres	7.12.89	Training	N/A		Nil
South Pacific Tyres	19.4.89	Training	N/A		Nil
Space Time Research Pty Ltd	4.5.90	Export Marketing	1 Job	S.E. Suburbs	Nil
Space Time Research Pty Ltd	22.10.89	Export Marketing		S.E. Suburbs	Nil
Wilson Electric Transformer	16.3.89	Adv Tech. Cad/Cam	N/A		Yes
Wilson Electric Transformer	16.3.89	Adv Tech. Cad/Cam	N/A		Yes
Wilson Electric Transformer	16.3.89	Adv Tech. Cad/Cam	N/A		Yes
Wilson Electric Transformer	8.3.89	Product Development	N/A		Nil
Wilson Electric Transformer	16.3.89	Adv Tech. Cad/Cam	N/A		Yes
Wilson Electric Transformer	16.3.89	Adv Tech. Cad/Cam	N/A		Yes
Wilson Electric Transformer	16.3.89	Adv Tech. Cad/Cam	N/A		Yes
Wilson Electric Transformer	16.3.89	Adv Tech. Cad/Cam	N/A		Yes
Wilson Electric Transformer	28.8.90	Adv Tech. Cad/Cam	N/A		Yes

*Grant not taken up

Company Name	*Date Paid*	*Payment*
SUPPLEMENTARY LIST		
GRANT PAYMENTS 1.1.89–30.6.89		
Business Planning, Training and Skills Development		
Aurora Tools	18.5.89	59 000.00
Aust. Marine Eng. Con Ltd	8.6.89	119 398.35
Aust. Marine Eng. Con Ltd	15.6.89	375 000.00
Aust. Marine Eng. Con Ltd	18.5.89	480 601.65
Aust. Marine Eng. Con Ltd	23.6.89	83 000.00
Australian Productivity Council Vic Pty Ltd	8.6.89	150 000.00
Australian Productivity Council Vic Pty Ltd	12.1.89	2 000.00
Australian Productivity Council Vic Pty Ltd	23.6.89	15 000.00
Australian Productivity Council Vic Pty Ltd	23.6.89	30 000.00
Australian Productivity Council Vic Pty Ltd	23.6.89	53 000.00
Australian Productivity Council Vic Pty Ltd	25.5.89	29 300.00
Major Furnace and Engineering Pty Ltd	15.5.89	13 875.00
Moldflow Pty Ltd	23.6.89	50 000.00
GRANT PAYMENTS 1989–90 FINANCIAL YEAR		
Business Planning, Training and Skills Development		
Aust. Marine Eng. Con Ltd	6.4.90	6 389.31
Aust. Marine Eng. Con Ltd	6.10.89	7 091.85
Aust. Marine Eng. Con Ltd	7.3.90	4 199 932.00
Aust. Marine Eng. Con Ltd	17.8.89	306 426.00
Aust. Marine Eng. Con Ltd	23.11.89	4 067.10
Aust. Marine Eng. Con Ltd	24.5.90	9 821.46
Aust. Marine Eng. Con Ltd	25.1.90	14 648.80
Australian Productivity Council Vic Pty Ltd	14.6.90	58 000.00
Australian Productivity Council Vic Pty Ltd	24.5.90	16 000.00
GRANT PAYMENTS 1990–91 FINANCIAL YEAR		
Australian Productivity Council Vic Pty Ltd	2.8.90	150 000.00