

CO-OPERATION (CREDIT CO-OPERATIVES) BILL

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The PRESIDENT (Hon. A. J. Hunt) took the chair at 3.3 p.m. and read the prayer.

CO-OPERATION (CREDIT CO-OPERATIVES) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. M. A. Lyster (Minister for Health).

DISALLOWANCE OF STATUTORY RULE

Message received from Assembly acquainting Council that Assembly have not disallowed the Alpine Resorts (Cross Country Trail Fees) Regulations 1991 (SR No. 79/1991).

QUESTIONS WITHOUT NOTICE

PORTLAND ALUMINIUM SMELTER

Hon. M. A. BIRRELL (East Yarra) — I direct my question to the Minister for Manufacturing and Industry Development, who would be aware of the 1991-92 subsidy for the Alcoa of Australia Ltd aluminium smelter, which is to be in the realm of \$217 million. If the Minister disputes this figure, what is the government's specific projected subsidy for this financial year?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — As honourable members would be aware from information published from 1984 onwards, a long-term contract with Alcoa has been entered into for the aluminium smelter at Portland, which provides Victoria with a significant export industry worth in excess of \$750 million per annum.

In relation to the financial arrangements in respect of the tariff, honourable members would also be aware from substantial debate that has occurred in this Chamber over several years that a flexible tariff has been introduced based on a long-term average price of aluminium of \$US1700 in 1982 dollars. It is our

view that over the life of the smelter the London Metal Exchange price will fluctuate from time to time.

As a consequence of significant sales of aluminium in the Eastern Bloc countries the price of aluminium has been depressed since about September 1990, and it remains fairly depressed, although it has been rising. Clearly there will be substantial changes in aluminium activity around the world as a result of the low price. In Canada there is substantial national debate about whether hydro-electric power prices that provide for aluminium smelters are unduly depressed. There is also significant debate among major aluminium smelters that do not produce aluminium at competitive prices about the future of some of those smelters.

The future prospects for the Portland and Point Henry smelters remain excellent in respect of their export potential, and following the announcement about Golden Aluminium clearly Victoria is also poised to take advantage of major downstream activity that will create at least 300 jobs.

In the context of the arrangements with the flexible tariff it is clear that it is not possible to project accurately what the London Metal Exchange price for aluminium will be between now and 30 June 1992. It is about as difficult as trying to estimate in the short term what the price of gold will be, but it would not be unreasonable to expect that, given the current trends, a sum in excess of \$100 million may be involved.

I do not suggest that that is definitive by any means and I look forward to the Treasurer, the Minister for Finance and me reporting further to the respective Houses about what is occurring. I remind the House that during the course of the last financial year the price of aluminium fluctuated significantly and between March 1990 and September 1990 the price of aluminium moved from \$US900 to in excess of \$US2240 and then fell substantially for the reasons I have outlined. Anyone who presumes —

Hon. K. M. Smith — What is it now?

Hon. D. R. WHITE — In the vicinity of \$US1200, and it is increasing. The extent to which it will increase in this financial year is difficult to tell because it is difficult to ascertain the extent to which there will be a continuation of the flooding of the European markets from the Eastern Bloc and Russia, in particular, to assist the Russian terms of trade.

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I repeat that the current arrangements remain as part of the long-term contract, which is to the net benefit of all Victorians. The government looks forward to securing further increases in the aluminium industry in Victoria during the 1990s.

Hon. R. M. HALLAM (Western) — I also ask the Minister for Manufacturing and Industry Development a question about the flexible tariff table under the long-term contract with Alcoa of Australia Ltd. In the light of the answer the Minister has just given the House, that the government expects a subsidy this year at least in excess of \$100 million, will the Minister explain to the House why a specific provision for at least that amount was not included in the Budget Papers for 1991-92?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I take exception to Mr Hallam's saying that I indicated that the amount will be at least \$100 million and that that is a certainty, because I clearly did not say that.

Hon. R. M. Hallam — You said in excess of \$100 million.

Hon. D. R. WHITE — I said it may be in excess of \$100 million, whereas Mr Hallam said it would be at least \$100 million, and that is not correct.

I repeat that it is not correct to say that the subsidy will be at least \$100 million. The reason for that is the same as the reason for what occurred in the previous year: there were significant changes in the London Metal Exchange price during the course of the year, and that may occur again. It has also been custom and practice for the transactions in regard to the flexible tariff not to be directly recorded in the Budget. That consistent method of reporting the flexible tariff, which has been used since 1984 and which has been known to the opposition and understood, will continue to be used.

ADULT LITERACY AND BASIC EDUCATION PROGRAM

Hon. D. E. HENSHAW (Geelong) — In October 1988 the government launched the Adult Literacy and Basic Education Program. I ask the Minister for Education and Training to advise the House of the impact of that program after some three years of operation.

Hon. B. T. PULLEN (Minister for Education and Training) — A report on the Adult Literacy and Basic Education Program, which was launched in

October 1988, has recently been released. The report examines the achievements of the program and evaluates them. In summary, the program's achievements have included greater access, better efficiencies and a model that has won national acclaim.

In terms of greater access to programs, direct provision of English literacy currently meets the needs of 17 000 adult students in Victoria. The program has seen innovations such as workplace provision, teleconferencing in country areas and the use of radio programs.

Those innovations have attracted to courses many people who would otherwise not have participated. For example, in 1988 there were only two major providers of workplace basic education — the Council of Adult Education and Adult Migrant Education Services. Now many technical and further education colleges and community providers offer direct workplace provision. Industry training boards are planning activities and trade union and employer groups are extolling the importance of literacy for workers.

Although not all people with low literacy skills need or want to improve their literacy levels, indications are that wherever provision is advertised large numbers of people take advantage of it.

An illustration of better efficiencies are the student contact hours in adult basic education in the South Western Port Region. In 1988 the hours of student contact amounted to approximately 30 000. That figure more than doubled in 1989 to approximately 68 800 hours. By 1990 student contact hours were of the order of 93 000, more than three times the 1988 figure.

Because of the planning that has been in operation since 1988 Victoria has been able to develop a model for adult literacy that has won national recognition. That has allowed Victoria to contribute to and profit from national initiatives, such as International Literacy Year in 1990.

During International Literacy Year, Victoria hosted a major conference on literacy in industry, which attracted more than 200 participants from industry, union, education and government sectors. More recently we hosted the first South East Asian and Pacific region symposium on literacy in the workplace.

Adult literacy is now firmly placed on the national agenda, which the Federal government's White Paper on literacy and languages recognises. Over the three years since 1988 the program has involved the expenditure of funds totalling \$3.4 million per annum — that is, in the order of \$10 million overall.

PORTLAND ALUMINIUM SMELTER

Hon. R. I. KNOWLES (Ballarat) — The Minister for Manufacturing and Industry Development has criticised projections of world aluminium prices provided by independent and reputable analysts, namely, the Australian Bureau of Agricultural and Resource Economics and J. B. Were and Son, that indicate that prices for aluminium will remain static until at least the turn of the century and that the electricity subsidy payable to Alcoa of Australia Ltd over the same period will be \$1.6 billion. Has the Minister had any actuarial calculations made to the year 2000? If so, what do they show?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — It is not a question of actuarial calculations, it is a question of predicting, in the normal course of economic events, what aluminium prices are likely to be over the course of this decade. We are indicating that it is not unreasonable to assume that the long-term average price will be around \$US1700, as was negotiated in 1984. We have entered into a long-term contract for approximately 30 years on the aluminium smelter at Portland and it is not our intention to renegotiate that contract in its current form.

Honourable members interjecting.

Hon. D. R. WHITE — What I have indicated publicly and to the House previously, and what has gone on record and has also been made known to the joint venture partners, is that if, during the course of the 1990s, a circumstance arose where it became more clear than is the case today — notwithstanding the forecast that Mr Knowles has referred to — that the long-term average price will be less than \$US1700, the time to consider that question is in the context of negotiating extensions to the first and second potlines and the establishment of the third potline. We have told the joint venture partners that if there is a need to give consideration to such a question, the most constructive way, without dislocating the current arrangements and putting across an adverse message to investors and the financial market, would be to do so during the negotiations on the third potline and the extensions to the first and second potlines. That is the policy

environment in which consideration should be given to that matter.

We appreciate also that the joint venture partners know and understand that setting and would be pleased to enter into discussions on the questions that I have outlined, if the need arises, during the course of negotiations on the third potline.

PORT OF MELBOURNE

Hon. W. R. BAXTER (North Eastern) — My question is also directed to the Leader of the House, but in his capacity as Minister responsible for Ports. Is he aware that eight separate inquiries are being held simultaneously into aspects of the Melbourne waterfront? As Minister responsible for Ports, why is he allowing so many diverse groups to cover port assets in a totally uncoordinated way? Is this not likely to lead to Melbourne remaining shackled by an inefficient port?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — As I have advised Mr Baxter before, it is not unreasonable that various issues relating to the management of the port of Melbourne be addressed, but there is a coherent policy framework in which change is occurring at the port. The first part of the framework is in the context of the national waterfront reform with the introduction of enterprise-based agreements. One that has already been secured is between P & O and Conaust at West Swanson Dock.

Hon. W. R. Baxter — That is the ninth inquiry.

Hon. D. R. WHITE — The second major discipline that I have instituted since becoming the Minister responsible for Ports has been to advise the shipping users group what its members' expectations might be for port reform. I have been the beneficiary of advice from both Mark Rayner from CRA and Ivan Deveson, formerly from Nissan, on behalf of the shipping users group on the reform that ought to occur within the Port of Melbourne Authority and beyond the PMA with the stevedores and on the waterfront generally. The documents prepared by the shipping users group and the response to the group by the PMA have been circulated to the Metal Trades Industry Association, the Victorian Trades Hall Council, the Australian Chamber of Manufactures and the Victorian chamber of commerce, which is now incorporated within the Victorian Employers Federation. All those bodies have reflected on the way we propose to

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reduce, and have been reducing, the business activities of the PMA.

Consistent with that, by 30 June 1992 we will have reduced the number of employees of the authority from 1200 to 900. We have also reduced, not reflected on but reduced, the role of the PMA at East Swanson Dock.

The third component of our initiatives, consistent with the Federal government agenda and with the support of Senator Collins, is to establish a joint venture arrangement on East Swanson Dock. Honourable members will recall from previous discussions in the House that the government has indicated that the Trans Ocean Terminals (TOT) lease currently held by P & O will not be renewed; that it is encouraging joint venture partners to secure a joint venture arrangement at East Swanson Dock; and that it is taking into account the nature and pace of port reform that is occurring throughout Asia.

Again I advise the House that the government will secure a major container contract with Japan and, as a consequence of these arrangements, it will also secure a new substantial joint venture arrangement at East Swanson Dock. The government will also secure an enterprise-based agreement between the joint venture partners, the Australian Council of Trade Unions and the Waterside Workers Federation of Australia. That is the major direction of change that is occurring in the port.

As a subset of that other inquiries are being held into legitimate issues such as port security, both prior to and as a consequence of the Coode Island fires, and other necessary parts of the port's activities, which the government supports.

The agenda that I am pursuing as Minister responsible for Ports will ensure that the port of Melbourne leads port reform in Australia and provides a secure setting to reduce costs for the users of the port as a major input to all exporters, be they in the resource industries or in the manufacturing industries. Moreover and most importantly, prospective investors in Victoria, whether they be manufacturers or service users of the shipping users group, support the policy focus and agenda the government has undertaken and is committed to.

CENTRAL LINEN SERVICE

Hon. JEAN McLEAN (Boronia) — In May the Minister for Health advised the House of the

government's decision to enable greater operational efficiency of public hospital linen services by closing the Royal Melbourne Hospital Central Linen Service. Will the Minister advise the House of the progress of the implementation of that decision?

Hon. M. A. LYSTER (Minister for Health) — As the honourable member said, in May I advised the House that the government would move towards closing the Royal Melbourne Hospital Central Linen Service and that additional shifts and therefore additional jobs would be provided in a range of hospital laundries in rural Victoria and that in time a new laundry would be constructed at a cost of approximately \$9 million.

I am pleased to advise the House that we have achieved the closure of the second shift at the Central Linen Service and that all that production has been taken up by laundries at Ballarat, Bendigo, Geelong and Warragul by, in most cases, putting on additional shifts at those laundries and thereby creating new jobs in those country centres, something that has been greatly appreciated.

The final closure of the laundry will take place in April 1992, and between now and April the current tonnage will be processed through existing country and metropolitan laundries.

The third part of the process was the government's intention to build a new laundry. I advise the House that, as the phase-down of the Central Linen Service and the taking up of the additional capacity of rural laundries has been so successful and has been achieved so efficiently, it is now considered that it will not be necessary to build a new laundry, which means that the proposed expenditure of \$9 million will not now need to take place.

Part of the reason for that is that the government now has access to a recently refurbished linen service at Larundel Hospital and the Repatriation General Hospital linen service. The efficiency of public linen services has long been taken as an indicator of efficiency in the hotel and domestic services area throughout the health system generally.

I believe the greater efficiency that has been achieved through this move will in a short period see the closure of an outmoded linen service and will assist hospitals to get their linen from a public service at a far lower cost.

TEACHERS DISPUTE

Hon. J. G. MILES (Templestowe) — I refer the Minister for Education and Training to his open letter on the long-running teachers dispute in which he stipulates that the cut in expenditure required of schools is \$83 million. The Minister has repeatedly been quoted as claiming that the disputed difference has been narrowed to only \$3 million. Does this mean that the teachers unions have agreed to \$80 million of the stipulated savings, and if so can he explain why it has not been possible to find economies to make up the comparatively minor remainder and thus remove the continuing threat to the education of our children?

Hon. B. T. PULLEN (Minister for Education and Training) — There was an error in fact in the way the honourable member expressed his question. The total savings sought in the education and training budget are \$100 million, of which \$83 million is related to the schools area. Of that, \$28.4 million relates to issues involving the negotiations with the two unions, so it is a question of \$28.4 million not the \$80 million to which the honourable member referred.

As the honourable member would be aware, settlement has been reached with the Victorian Secondary Teachers Association on the basis of its commitment and arrangements to make savings in that area, and negotiations are still taking place with the Federated Teachers Union of Victoria. We met this morning and some progress was made, but not enough to meet the necessary savings. The meeting was adjourned and another meeting is to be held at 8 a.m. tomorrow.

I hope, with the position the government has put and some movement from the union to meet the government half way, it will be possible to bridge the gap of the differences. The offer the government has put on the table, which is the offer being discussed, involves no reduction of teachers at any primary school in Victoria. It will leave those schools free of reduction and it is a basis on which a settlement to the dispute could be achieved quite easily if the union is prepared to talk. The union must go that one step further. The bottom line is that the savings must be made and the package must add up to a genuine \$28.4 million.

CONSUMER TRIBUNAL REFEREES

Hon. P. R. HALL (Gippsland) — Will the Minister for Consumer Affairs advise the House of

the basis for his recent meeting with consumer tribunal referees and whether it is a fact that the referees threatened to go on strike today?

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — I am having consultations with the referees on a range of matters relating to how tribunals will operate in future to increase their effectiveness and efficiency and putting in place an independent process for the appointment of referees to tribunals as well as changes to the system of automatic reappointment that has hitherto been followed. Those consultations are proceeding.

Hon. P. R. Hall — They have threatened to go on strike, haven't they?

Hon. T. C. THEOPHANOUS — To my knowledge the referees are not proposing to go on strike or refusing to work and the tribunals are operating as normal. My consultations with them are continuing and I expect that a satisfactory resolution will be reached.

CREDIT CARD INTEREST RATES

Hon. C. F. VAN BUREN (Eumemmerring) — In view of the recent action by the Reserve Bank to reduce interest rates and the problem of the banks not passing on those reductions, will the Minister for Consumer Affairs inform the House whether consumers can expect to obtain relief from high credit card interest rates?

Honourable members interjecting.

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — I am greatly concerned, although apparently opposition members are not, about the reluctance of the banks to reduce credit card interest rates in line with reductions in general interest rates and to provide some relief to credit card holders.

I am especially concerned given the fact that credit cards are used widely by consumers in the lead-up to Christmas and it is not unreasonable to expect that there should be reductions in credit card interest rates. I would have expected all honourable members to support that position.

It is true that some banks have taken steps to reduce credit card rates from what were extraordinarily high levels of around 24 per cent, but the response is inadequate. If one makes a simple comparison with 1984-85, when the bank bill rates were higher than

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they are at present and interest on credit cards was 18 per cent, there is clearly an argument for credit card rates to be reduced. The differential between credit card rates in excess of 20 per cent and general interest rates of 12 per cent cannot be justified in current circumstances.

Honourable members interjecting.

The PRESIDENT — Order! There are too many interjections; it is impossible to hear what the Minister is saying.

Hon. T. C. THEOPHANOUS — The banks have put up two arguments to justify their position. The first argument is that about 30 per cent of credit card users pay no fees because they pay in the interest-free period. The second argument is that there is no cross-subsidisation taking place because credit card business is unprofitable. I reject both of those arguments.

Hon. M. A. Birrell — And I will —?

Hon. T. C. THEOPHANOUS — Why don't you listen and learn something! The first argument is untenable because traders pay a fee on all purchases that is designed to cover the cost to the banks of providing the service. There is no justification for that argument.

The second argument relating to credit cards being unprofitable cannot be sustained. It rests on the way the profitability of the business is calculated. In calculating the profitability of the credit card system the banks prefer to use a formula called "the marginal cost of funds".

Hon. R. M. Hallam — You will tell us what that means?

Hon. T. C. THEOPHANOUS — I shall tell you later. A more appropriate formula in calculating profitability would be the average cost of funds. The Ministry's calculations indicate that on that basis the credit card business is very profitable.

I am disappointed at the failure of the banks to pass on the full 1 per cent reduction in interest rates. The banks argue that some of their funds are deemed and consequently do not reduce in cost as a result of reductions in interest rates. That argument is not sustainable because those funds have to be balanced against the fixed interest loans made over a long period. There is a benefit on both sides and I cannot see why the banks are unable to reduce credit card

rates or to pass on the full 1 per cent reduction in interest rates to consumers.

It is inappropriate for banks to seek to pass on what amounts to excessive charges to consumers to pay for the billions of dollars of losses in speculation. Those losses should be covered by the banks reducing their profits.

CONSUMER TRIBUNAL REFEREES

Hon. K. M. SMITH (South Eastern) — I refer the Minister for Consumer Affairs to his answer to Mr Hall regarding the postponed referees strike. Will the Minister advise the House precisely what he promised the consumer referees to keep them at work?

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — As Mr Smith said, the referees have not gone on strike and I do not expect them to strike. I am continuing to discuss with them the terms of settlement in line with certain principles that I have enunciated in relation to instituting an independent process for the appointment of referees and creating an efficient and effective tribunal system.

GAS AND FUEL CORPORATION

Hon. R. A. MACKENZIE (Geelong) — I ask the Minister for Manufacturing and Industry Development whether the Gas and Fuel Corporation is restructuring its regions so that they will be in line with the regions of the State Electricity Commission of Victoria and whether the government plans to amalgamate the Gas and Fuel Corporation and the SECV into a single energy corporation with a view to eventual privatisation or partial privatisation of that entity.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — It is correct that restructuring of the Gas and Fuel Corporation is occurring consistent with the report prepared by Cresap, McCormick and Paget Inc. The number of employees has been reduced from 6200 to approximately 5190. Those reforms will continue and will impact on regions.

The regions in the Gas and Fuel Corporation are not precisely the same as those in the State Electricity Commission. Moreover there are parts of Victoria that do not have access to natural gas at this time because of the cost of transmission.

It is not the government's policy to amalgamate the State Electricity Commission and the Gas and Fuel Corporation. It was not the policy in 1982 and has not been the policy since 1982. The only issues that we have before us in respect of the privatisation or partial privatisation of any assets of the SEC or the Gas and Fuel Corporation are: firstly, in respect of the Gas and Fuel Corporation we are looking at the issue of the future equity interest of the corporation in the exploration company and whether the shares that it has in gas and fuel exploration should be considered for sale.

Secondly, the major project we have before us in respect of the SEC is, as certain members of the opposition would be aware from confidential briefings they have had, the excellent response we are getting on the partial privatisation involving 40 per cent of Loy Yang B power station. On 15 November we expect expressions of interest to be received by the State Electricity Commission and CS First Boston acting on behalf of the SEC. We are delighted with the strength of the response from at least six major operators of public utilities throughout the world and their considered interest in Loy Yang B. The impact that that will make on further reforming the work practices in SEC power stations will significantly enhance the capacity of the commission to be the most competitive utility in the national grid and secure expanded markets not only for existing and prospective investors in this State but also in South Australia and Tasmania.

But it is not our intention to amalgamate the Gas and Fuel Corporation and the State Electricity Commission, and it is not our intention to take any initiatives beyond those I have mentioned. The most important task we have ahead of us is to secure a satisfactory outcome as a consequence of the sale of 40 per cent of Loy Yang B. It is quite clear that the response of financial institutions, banks and prospective purchasers has been enhanced by the fact that the State Electricity Commission has retained an equity interest in Loy Yang B units 1 and 2.

YOUTH HOMELESSNESS

Hon. C. J. KENNEDY (Waverley) — Will the Minister for Ethnic, Municipal and Community Affairs inform the House how the church and community sectors are contributing to the government's response to youth homelessness?

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — It is quite obvious to

everybody in this House that there is a wealth of expertise within the community sector, the youth sector and the churches on the subject of youth homelessness. Indeed we are trying very hard — and I as lead Minister responsible for solving the problems of youth homelessness am certainly doing so — to pull together the programs and initiatives aimed at youth homelessness.

One of the major steps we have taken has been to establish a Community Reference Group involving representatives of the community sector, the youth sector and the churches. It is chaired by David Eldridge from the Salvation Army, who would be known to many members of this House. There is an officers committee that links the various departments with the Ministers who sit on the Cabinet subcommittee; and, as the chair of the Community Reference Group, David Eldridge also sits on the Cabinet subcommittee, which means that Ministers have the opportunity of hearing directly the views of the Community Reference Group and thus the views of the community. A great community initiative has been taken in youth homelessness during a difficult economic climate.

It is essential to be sure that the programs are working properly and are properly interlocked, coordinated and integrated. I do not believe it can be done without our being informed — and constantly informed — by the field structure, which we now have. Certainly it provides a freshness of information and it also provides, probably for the first time, the opportunity of linking the programs together to concentrate on a dual focus of alleviating youth homelessness and its prevention.

CONSUMER TRIBUNAL REFEREES

Hon. R. S. de FEGELY (Ballarat) — Will the Minister for Consumer Affairs advise the House of the basis of his original offer to the referees of a three-month contract? Does the Minister intend replacing all referees or some referees, or does he have another reason for the offer?

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — I believe I have answered the question ad nauseam.

Hon. Rosemary Varty — You haven't answered it at all!

Hon. T. C. THEOPHANOUS — However, I shall go through it again. I have been involved in consultations with referees to attempt to institute

some changes to the way in which they are appointed as well as to the operations of the tribunals themselves. In the context of those consultations I have said that I am not prepared to continue the process of automatic reappointment of referees by the Minister and I would prefer an independent process of appointment, which is in keeping with the intention of the Act, which provides that referees be appointed for a specified period. The Act does not specify that referees be automatically reappointed at the end of the contract period.

I told them that I want to institute an independent process for the appointment of referees and to consult with them about gaining greater efficiency and effectiveness in the operations of the tribunals.

BERTHING AND MOORING FEES

Hon. B. E. DAVIDSON (Chelsea) — The Minister responsible for Ports has recently informed the House of a process of public consultation relating to berthing and mooring fees for recreational and fishing boats in Victoria, and I ask him to advise honourable members how this will contribute to micro-economic reform in the State's port authorities.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — As Mr Baxter and other honourable members are aware, the three port authorities currently provide a large number of berthing and mooring facilities around Victoria for the use of recreational, commercial charter and fishing craft. These facilities are provided at no charge to users at a time when all other States charge fees. In particular commercial port users in each case have been effectively subsidising users of fishing, commercial charter and recreational boats.

As Mr Baxter and other honourable members would be aware, on 3 November last year a public consultation process commenced to examine the introduction of some form of fee. That process has seen wide consultation with various constituent groups and I have met with representatives of the boating community, and have done so at the request of members of the opposition.

Today I am announcing the introduction of berthing and mooring fees for recreational and fishing boats in Victoria, effective from 1 February 1992.

This move will distribute the costs fairly among users on an appropriate user-pays basis and will bring Victoria into line with other States. It should

be noted that many of the fees announced today have been substantially reduced from the levels originally proposed. The fees will affect only 5400 of the approximately 150 000 Victorian owners of boats, and of those only about 4000 owners will be required to pay \$60 a year for swing moorings.

Greater costs will be involved for boats using berths, but they represent a much smaller proportion of the total number. The costs will vary from location to location. The costs are too varied to list now but they compare most favourably with berthing fees at private marinas.

Honourable members should realise that these fees are calculated on a cost recovery basis and apply only to berthing and mooring facilities provided for the exclusive use of boat users whose craft occupy them. This means the cost of other facilities such as jetty approaches and breakwaters will not be included in the fees.

As a result of the consultation process the government has decided to discount fees for aged pensioners by 50 per cent; to minimise the impact by introducing fees for berths and pens in three equal stages, although not including swing moorings; and to allow a two-year moratorium after the first stage for fishing and commercial charter boats in recognition of the depressed state of each industry.

The government will also consider favourably any proposals by bona fide organisations, such as yacht clubs, to manage or own port authority berths or moorings if they are in the public interest and cost effective. As I have said, negotiations are continuing with a number of yachting clubs.

The PRESIDENT — Order! The time for questions without notice has expired. The Leader of the House has advised me that he wishes to clarify an answer given to an earlier question without notice.

PORTLAND ALUMINIUM SMELTER

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) (*By leave*) — I seek to clarify an answer I gave to a question from Mr Hallam. I said that since 1984 it had been consistent practice for the flexible tariff arrangements to be outside the Budget and mostly to be funded as a consequence of dividends coming from PSUT and ALUVIC.

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I wish to add to that by explaining that an amount has been provided in the 1991-92 Budget for repayment of principal and interest to the extent of \$64 million in addition to any dividends that may arise during the course of the financial year that could be used to offset any amounts that are incurred of a negative kind as a consequence of flexible tariff arrangements. That is an addendum to my answer.

PERSONAL EXPLANATION

Hon. E. H. WALKER (Melbourne) (*By leave*) — I wish to make a personal explanation regarding articles that have appeared on the past two Sundays in the *Sunday Age* reflecting on my role as a member of Parliament and as an employee of the University of Melbourne.

I am particularly concerned since the second of the articles, published last Sunday, was somewhat threatening in terms of comments made by the Leader of the Opposition in another place and his partner from the third party.

Hon. M. A. Birrell — Be careful!

Hon. E. H. WALKER — I considered that an explanation was necessary in the circumstances and I intend to do that at no great length.

Hon. M. A. Birrell — If you reflect on him, leave will be refused.

Hon. E. H. WALKER — It is not a pejorative statement but an explanatory one. When I have finished I will be pleased to make available to any honourable member who wishes them copies of the two opinions from Queen's Counsel that I shall mention.

Professor Peter McIntyre, head of the Department of Architecture and Building at Melbourne University, first approached me in early June 1990 with an invitation to become a part-time member of the Department of Architecture and Building. This occurred some months after I had stepped down as a Minister. The offer came out of the blue.

Discussions were held with Professor McIntyre and the vice-chancellor when it was suggested that I become what they term a professorial fellow — a new title, although one or two others had been appointed with that title. It was suggested that I should become a professorial fellow and that I would carry the title of professor.

The vice-chancellor also suggested during the second of our meetings that since the dean of the faculty was retiring in late 1990 I might consider, if I accepted the first appointment, becoming the dean from 1 January. I said I would be interested but I would have to check to ensure that there was no problem with the situation regarding office of profit under the Crown.

Honourable members will remember that I have some knowledge of office of profit under the Crown since, when Minister for Planning and Environment, I appointed a member of Parliament from the other place to, I think, the State Environmental Council, thereby causing some concern and difficulty because of a problem that arose. The then honourable member for Morwell, Val Callister, MLA, had to be reappointed as member for that area because of the appointment made inadvertently. Therefore, I am very conscious of the office of profit under the Crown issue.

At the time I said I would obtain advice on the matter from the Solicitor-General, Hartog Berkeley, QC. I approached him in the first instance. By letter of 28 June 1990 the Solicitor-General, in a short one-page opinion, offered the advice that he saw no conflict since:

... the University of Melbourne is a body corporate distinct and separate from the Crown. Employment as a member or officer of the university is not employment by or under the Crown.

It occurred to me that I would be wise to get a second opinion.

Hon. M. A. Birrell — Very wise.

Hon. E. H. WALKER — I said this was not a pejorative statement.

In July last year I contacted my solicitor, John Howie of Howie and Maher, to discuss the matter. We agreed that Mr Howie should approach Mr Stephen Charles, QC, for a second opinion, allowing him to have the opinion of the Solicitor-General. I also informed Mr Berkeley that I had taken that course and on 19 July last year I wrote to Mr Howie suggesting he retain the services of Mr Charles, QC.

At that point Mr Berkeley let me know that he was preparing a more comprehensive opinion.

Hon. M. A. Birrell — At whose expense?

PERSONAL EXPLANATION

1174

COUNCIL

Tuesday, 12 November 1991

Hon. E. H. WALKER — That opinion, dated 23 July 1990, arrived in late July. The opinion concludes:

It follows that in my opinion Mr Walker may accept an appointment from Melbourne University without vacating his seat in the Legislative Council.

The opinion from Mr Charles, QC, was somewhat delayed in preparation but in a letter from my solicitor, John Howie, in September I was informed that he was likely to agree with Mr Berkeley's opinion.

In his opinion dated 9 October 1990 Mr Charles compiled an eight or ten-page document, and very carefully and closely argued an opinion members of the House may wish to view.

He concludes:

For the foregoing reasons I agree with the conclusion that Mr Walker's proposed acceptance of a position at Melbourne University will not give rise to a breach of the Constitution Act 1975 on the grounds that Melbourne University is not a public statutory body within the meaning of section 56(1)(b) of that Act, and a contract made with the university is not deemed to be a contract made with Her Majesty in the State of Victoria.

Having received the earlier opinion from Mr Berkeley and his letter, and prior to receiving Mr Charles's opinion, I contacted Mr Mark Birrell and Mr Haddon Storey to inform them verbally that I intended to accept a part-time appointment at the University of Melbourne.

I said that I had received advice from the Solicitor-General about the issue of office of profit under the Crown and that I was awaiting a second opinion from Stephen Charles, QC. Both gentlemen, members of the opposition, said they had no concerns about my actions and at that point declined copies of the opinion.

Hon. M. A. Birrell — From the Solicitor-General.

Hon. E. H. WALKER — Yes. Some time later, and I am not exactly sure of the time but it was late in 1990 or early in 1991, I was approached by Mrs Jan Wade, a member of the Legislative Assembly and opposition spokesperson on legal matters, requesting copies of the opinions. I provided her with copies forthwith and she acknowledged receipt of them. I heard no more from her or any members of the opposition and presumed, I think reasonably, that they had no concerns with them.

After receiving Mr Berkeley's opinion dated 23 July it was agreed between Professors McIntyre and Penington and me that my appointment as professorial fellow be put to the next meeting of the university council. I was informed later that the matter had passed council and that my appointment would commence on 1 August 1990. This was confirmed later by a letter from Mr J. B. Potter, the registrar of the university.

After my appointment was made and the salary was confirmed I indicated to Professor McIntyre and, through him, to the vice-chancellor, that I intended approaching companies and individuals in the building and development industry for support for the Department of Architecture and Building. It had become obvious to me, immediately, that the department was under-resourced. I was aware that I should help in that regard and that the university would more and more depend on private sources of income. I was also conscious, and many faculties understood, that it was also their business to assist in raising funds from sources other than government sources.

For my own purposes I listed some ten to twelve companies to approach, then selected five of them. I met with representatives of each of those five companies separately and had what I felt were good responses from them. Eventually three gave donations to the university, indicating support for my appointment and for the work of the department.

All donations were, I believe, made to the University of Melbourne and placed in the Architecture Trust Fund. That fund is managed by the university and many members of the architecture and building professions have donated to that fund over the years, as I have. My salary is not paid from that fund directly, but from the university.

I mention these two incidents to indicate where, perhaps, the confusion has arisen.

In welcoming me to the Department of Architecture and Building last August Professor McIntyre made a short speech to a morning tea of the staff and, among other things, suggested that my addition to the staff would not be at the cost of any other position. The point he was making, and I think he was proud to make it, was that my appearance in that position was not draining what were already limited funds for that department or that faculty, the suggestion being that the fundraising then undertaken would be seen to cover my appointment.

PERSONAL EXPLANATION

Tuesday, 12 November 1991

COUNCIL

1175

In a later edition of the university newsletter my appointment was announced with the comment that the position was funded from "outside sources". This was not technically correct since my appointment and pay agreement began prior to my fundraising efforts, and I have always been paid directly from the university.

However, while I was away overseas earlier this year on a Commonwealth Parliamentary Association study tour two inaccurate and critical articles appeared in the *Sunday Age* implying some impropriety on my part in decisions made when I was the Minister for Planning and Environment and the Minister for Major Products.

On 9 May 1991 Paul Robinson of the *Sunday Age* wrote to the University of Melbourne seeking information as to the companies "which have contributed to the salary of Evan Walker" and he asked for other information.

In July Professor Penington, the vice-chancellor, responded indicating that he had spoken to me by telephone and that I would be perfectly willing to meet jointly with the *Sunday Age* editor, Mr Steven Harris, and Paul Robinson for a full and frank discussion of the circumstances of the issues involved—I made that offer—but, in light of a later article by Paul Robinson, made the point that I might want to bring my legal adviser. I was not aware that the vice-chancellor was going to say that, but I understood the reason for it.

He also indicated in a letter that I would not wish to compromise the confidentiality of the donors, should they elect to remain anonymous, and as it turns out they elected to remain anonymous, which has been, of course, subject to a freedom of information claim and an appeal heard by the Administrative Appeals Tribunal in recent times.

In a letter dated 15 August this year the *Sunday Age* editor indicated that the offer would not be proceeded with and that the FoI application would continue. The Administrative Appeals Tribunal heard an appeal against the FoI application on 30 and 31 October this year. The determination is still awaited.

The two recent articles have appeared since the hearing and prior to the determination, and statements by the Leader of the Opposition and the Leader of the National Party in another place followed the first article and followed, I think, an approach by the *Sunday Age* for their comments. It is

the statements by both Mr Kennett and Mr McNamara that concern me.

Hon. M. A. Birrell—Are your comments here consistent with the evidence given before the AAT?

The PRESIDENT—Order! Personal explanations of this kind are heard in silence.

Hon. M. A. Birrell—Isn't there some limit to their length and detail, preventing them from going on and on? Otherwise we should be able to debate them, if they are going to go well beyond a personal explanation.

Hon. E. H. WALKER—I would like to conclude. I think comments made by those two gentlemen showed ignorance of, firstly, the legal opinions regarding —

Hon. M. A. BIRRELL (East Yarra)—On a point of order, Mr President, if Mr Walker wants to debate the issues, we will entertain him. However, in seeking leave from me he made it clear that this was not a pejorative statement. If he wants to have a debate, we will have one, and he would not welcome it. But this subject matter now goes beyond a personal explanation and I ask you to call him back to order.

He should not call into question the actions of members outside this House who, because of the forum in which he has chosen to debate this issue, will not be able to defend themselves, nor will I be able to defend them. If it is to be more than a personal explanation, he should be asked to turn the matter into a full debate, which he would not welcome.

Hon. E. H. WALKER (Melbourne)—On the point of order, Mr President, I am happy to desist from comments about the two Leaders in another place, and I will simply complete my remarks with one further paragraph.

I believe I have acted with great care and propriety in all of this. My reputation for integrity and directness has been damaged by those articles and my capacity to continue to function as a respected member of this Parliament and as Dean of the Faculty of Architecture and Planning at the university has been somewhat damaged.

I have nothing to hide—quite the opposite. I am quite happy to make available copies of the two QC opinions from which I have quoted, and if

honourable members care to view them I will be happy to have copies made for them.

ANSWERS TO QUESTIONS ON NOTICE

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — I have a single copy of the answer to question on notice No. 1208 from the Minister for Transport, which I shall hand directly to Mr Smith.

The PRESIDENT — Order! That question will remain on the Notice Paper.

Hon. K. M. Smith interjected.

Hon. C. J. HOGG — I do not think I am doing the Minister for Transport an injustice when I say my staff have made inquiries about this in the past few days and we hope the answer will be ready within the next week or before the end of the session.

Hon. K. M. SMITH (South Eastern) (*By leave*) — With regard to question on notice No. 1209, can the Minister simply say that the time and resources required to respond to the question cannot be justified? Other Ministers in this government have provided me with information. I refer in particular to an answer that was mentioned by the Minister from her own department, which has been extremely comprehensive — and I am appreciative of that.

Surely the Ministry of Consumer Affairs has the facts available, if not on computer certainly in the drawer of a filing cabinet listed under "Grants". I do not believe the Minister has given a justifiable answer.

The PRESIDENT — Order! In following precedents in this House and in other Australian Houses I have often ruled that Ministers may decline to answer questions or may answer questions in the way they choose.

In the 30 years I have known of answers to questions on notice, it has been not infrequently, although not often, that Ministers have declined to answer on the ground that the amount of research required or the cost of obtaining the information would be disproportionate to the value of the answer.

In cases where that is so, a member is often invited by the Minister to frame the question in a different way that will enable a satisfactory answer to be given at much less expense.

Will the Minister proceed with the interim reply or perhaps start again?

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — On the question raised by Mr Smith, the answer rendered by the Minister for Community Services obviously indicates that a long report is involved. The standard grants question Mr Smith asks involves an enormous amount of time. Mr Smith has been informed that he is welcome to inspect the full report, which contains all the details he requires.

I shall find out if copies of that report are available. If they are I can bring one to Parliament and offer it directly to Mr Smith. Mr Smith also asked for reports for 1989-90 and 1990-91. Each of those reports contains 750 pages. He is offered the opportunity of inspecting those reports at the Ministry of Community Services but I am happy to find out from the Ministry whether copies are available and whether I can furnish them to Mr Smith.

The PRESIDENT — Order! That question will not remain on the Notice Paper.

Order! Question on notice No. 1222 will remain on the Notice Paper.

Hon. M. A. LYSTER (Minister for Health) — There are three other questions on notice that I believe will have to remain on the Notice Paper — questions on notice Nos 1202, 1203 and 1204.

I hope those three questions will be answered within the next week or so, but I have been given no indications by the Ministers concerned as to the likely time.

Hon. K. M. SMITH (South Eastern) (*By leave*) — I register my unhappiness with the response the Minister for Health has given to question on notice No. 1220. I find it difficult to believe that an organisation like Health Department Victoria is unable to provide a list of its grants. I am concerned about the state the department is in if it is unable to satisfactorily answer the questions I have asked. I do not believe the questions are unreasonable, and I believe the time provided to supply the answers is justified.

Hon. M. A. LYSTER (Minister for Health) — Mr Smith must understand that there is no line item in the Health Department Victoria budget that relates to grants. Funding for such grants is obtained from both the Federal and State governments and is

distributed through a wide range of program areas such as the Home and Community Care program, which, in turn, involves other agencies such as the Royal District Nursing Service; alcohol and drug programs; the national Better Health program; and the national campaign against drug abuse.

The funds are not distributed in only one particular way. Some funds are distributed centrally, some regionally, some by submission, and some through other responsible organisations and agencies. Given that we are in the process of dramatically downsizing Health Department Victoria, it is simply not possible to dedicate the staff resources needed to put together the information asked for by Mr Smith in the way he seeks.

The PRESIDENT — Order! There is no need for a process of members speaking by leave such as has just been undertaken. Sessional Orders now provide that, at the completion of the time allotted for questions without notice, questions can be asked by honourable members about answers to questions on notice that are outstanding for more than 30 days. Any honourable member who is not satisfied with the explanation he or she receives may move a motion to that effect. That is the preferred method of proceeding at the end of question time.

Hon. K. M. SMITH (South Eastern) — In relation to the answers that have just been given by the Minister, I am aware that the grants are given in each annual report but they are not given fully. Line items are mentioned and I should like the details of those. The 1990-91 annual report has not been provided or tabled at this stage. I asked a question on this matter on 1 October and I believe I am entitled to be given the answer without having to wait for an annual report. It would have been easier to provide the information than for the Minister to list all those things.

His department says the voluminous amount of information I have requested would require a search of the files for the answer to be provided, but if his officers are able to put such information in annual reports on a yearly basis they should be able to provide it to me. I am unhappy with the response I have been given.

The PRESIDENT — Order! On the point of order, I have made it clear that until Standing Orders are changed I am powerless to interfere in the form in which Ministers answer questions unless they breach the rules that have been clearly laid out in presidential rulings over the years, a summarised

copy of which is in the hands of honourable members in any event.

Hon. K. M. SMITH — On 7 November I notified the Minister for Manufacturing and Industry Development of question No. 1211 for the Treasurer, No. 1212 for the Minister for Tourism, No. 1213 for the Minister for Small Business — for which he gave me an answer — No. 1214 for the Premier, No. 1215 for the Minister for Major Projects and No. 1216 for the Minister for Finance. He has not provided me with answers or given satisfactory explanations as to why they have not been provided within the required time frame.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — The honourable member has indicated that he sent a fax to my office on 7 November. I shall check this matter but I understand that officers in my department responsible for the handling of answers to questions will have contacted the relevant Ministers. As I have indicated previously in respect of the 30-day ruling, Ministers in this House abide by the discipline in respect of responses to questions in accordance with the resolution of the House.

Ministers in this House have taken the responsibility to inform Ministers in another place when requests are made for answers and to seek their assistance in providing the answers as expeditiously as possible, and they will continue to do so.

Hon. K. M. SMITH (South Eastern) — On 7 November I notified the Minister for Education and Training by fax that the answers to question No. 1205 for the Minister for Planning and Housing and question No. 1206 for the Minister for Conservation and Environment had not been provided to me within the time frame set out in Sessional Orders. The Minister gave no explanation today for the lack of response from each Ministry. I am seeking those answers.

Hon. B. T. PULLEN (Minister for Education and Training) — In respect of the questions asked of the Ministers in another place, I have contacted the Ministers by letter and asked my staff to contact the departments seeking answers and advising them of the time frame. I hope they will respond as soon as possible.

Hon. K. M. SMITH (South Eastern) — On 7 November I addressed a letter to the Minister for Consumer Affairs in relation to question No. 1201, which was faxed to his office. It is a question for the

Minister for Labour. The Minister for Consumer Affairs has not given a response to that request and has not tabled the answer. It is now outside the time frame and I ask for an explanation.

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — I am aware that the honourable member has contacted my office. I have asked my officers to follow up the matter with the Minister in another place, and I hope I shall get a quick response.

The PRESIDENT — Order! With respect to the matters that have been raised, I am aware of the cooperation given by Ministers in this House in answering their own questions and I am aware that they have always sought to follow up on notes sent to them concerning questions asked of Ministers in the Legislative Assembly.

However, I have indicated previously that their obligation does not cease with the mere reference onward of the question. If it is not obtained by the next day the House sits, the appropriate course is to endeavour to obtain from the Minister or the Minister's department ultimately responsible an explanation as to why an answer has not been forthcoming. The mere statement that the relevant Ministers have been contacted does not fulfil the obligation. The obligation is to seek a reason for the lateness of the answer.

Hon. B. T. PULLEN (Minister for Education and Training) — The form of the question I put to Ministers in another place is to ask that a prompt response to the question be prepared or, if the Minister cannot provide a response at the time, that a short statement as to the reason for the delay be provided so I may inform this House when the matter is raised with me.

I have taken the action suggested by you, Mr President, in relation to seeking action from other Ministers.

PETITION

State schools

Hon. K. M. SMITH (South Eastern) presented a petition from certain citizens of Victoria praying that the government uphold the industrial agreement with the Victorian Secondary Teachers Association and that it increase the Budget allocation for State schools.

Laid on table.

VITAL STATE INDUSTRIES (WORKS AND SERVICES) BILL

Introduction and first reading

Hon. G. R. CRAIGE (Central Highlands), by leave, introduced a Bill to amend the Vocational Education and Training Act 1990 and the Industrial Relations Act 1979 and for other purposes.

Read first time.

EDUCATION (OUT OF SCHOOL EDUCATION) BILL

Introduction and first reading

Hon. B. T. PULLEN (Minister for Education and Training), by leave, introduced a Bill to amend the Education Act 1958 to provide for children to be educated out of school and to make various other amendments to that Act and the Community Services Act 1970.

Read first time.

CRIMES (BLOOD SAMPLES) (CLARIFICATION) BILL

Introduction and first reading

Hon. B. A. CHAMBERLAIN (Western), by leave, introduced a Bill to amend the Crimes Act 1958.

Read first time.

VOCATIONAL EDUCATION AND TRAINING (AMENDMENT) BILL

Introduction and first reading

Hon. B. T. PULLEN (Minister for Education and Training), by leave, introduced a Bill to amend the Vocational Education and Training Act 1990 and the Industrial Relations Act 1979 and for other purposes.

Read first time.

BUILDING CODE OF AUSTRALIA

Hon. B. T. PULLEN (Minister for Education and Training) presented amendment No. 2 to Building Code of Australia.

Laid on table.

**Ordered to be considered next day on motion of
Hon. R. S. de FEGELY (Ballarat).**

PAPERS**Laid on table by Clerk:**

Bendigo College of Advanced Education — Report and financial statements for the year 1990.

Country Fire Authority — Report and financial statements for the year 1990-91.

Intellectually Disabled Persons' Services Act 1986 — Report of Community Visitors for the year 1990-91.

Libraries Board — Report for the year 1990-91.

Library Council — Report and financial statements for the year 1990-91.

Melbourne Wholesale Fruit and Vegetable Market Trust — Report and financial statements for the year 1990-91.

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

Doncaster and Templestowe Planning Scheme — Amendment L27 Part 2.

Footscray Planning Scheme — Amendment L28.

Keilor Planning Scheme — Amendment L36.

Lillydale Planning Scheme — Amendments L80 and L92.

Mansfield Planning Scheme — Amendment L10.

Marong Planning Scheme — Amendment L27.

Melbourne Planning Scheme — Amendment L32.

Northcote Planning Scheme — Amendment L14.

Prahran Planning Scheme — Amendment L16.

St Kilda Planning Scheme — Amendment L8.

Shepparton City Planning Scheme — Amendment L24.

South Melbourne Planning Scheme — Amendment L35.

Werribee Planning Scheme — Amendment L23.

Police and Emergency Services Ministry — Report and financial statements for the year 1990-91.

Roads Corporation — Report and financial statements for the year 1990-91.

Stamps Act 1958 — Minister's report of 31 October 1991 of approved exemptions on corporate reconstructions.

State Film Centre Council — Report and financial statements for the year 1990-91.

Statutory Rules under the following Acts of Parliament:

Health Act 1958 — No. 218.

Health Services Act — No. 217.

Mineral Resources Development Act 1990 —

No. 222;

No. 223, together with a copy of the Code of Practice for First Aid in the Workplace which, by section 32 of the *Interpretation of Legislation Act 1984*, is also required to be laid upon the table;

Nos 224 to 226;

No. 227, together with copies of the following documents which, by section 32 of the *Interpretation of Legislation Act 1984*, are also required to be laid upon the table:

AS 1768 — 1983 — Lightning Protection.

AS 2187 — SAA Explosives Code —

Part 1 — 1984 — Storage and Land Transport.

Part 2 — 1983 — Use of Explosives.

AS 2188 — 1988 — Explosives — Relocatable Magazines for Storage.

AS 1755 — 1986 — Conveyors — Design, Construction, Installation, and Operation — Safety Requirements.

AS 1735 — Part 1 — 1986 — SAA Lift Code — General Requirements (as amended).

AS 1019 — 1985 — Internal Combustion Engines — Spark Emission Control Devices.

AS 2211 — 1981 — Laser Safety.

AS 1418 — SAA Crane Code —

Part 1 — 1986 — General Requirements (as amended).

Part 2 — 1986 — Serial Hoists and Winches.

Part 3 — 1986 — Bridge and Gantry Cranes.

Part 5 — 1985 — Mobile and Vehicle-Loading Cranes.

AS 1873 — 1978 — Explosive-powered hand-held fastening tools, fasteners and explosive charges.

AS 1337 — 1984 — Eye Protectors for Industrial Applications.

AS 1270 — 1988 — Acoustics — Hearing protectors.

AS 1716 — 1984 — Respiratory Protective Devices.

AS 1442 — 1983 — Carbon Steels and Carbon-Manganese Steels — Hot-rolled Bars and Semi-finished Products.

AS 1446 — 1981 — Carbon Steels and Carbon-Manganese Steels — Hot-rolled Slab, Plate and Strip Based on Chemical Composition.

AS 1448 — 1981 — Carbon Steels and Carbon-Manganese Steels — Forgings (Ruling Section 300 mm maximum).

BS 2772 — British Standard — Colliery haulage and winding equipment —

Part 2 — 1989 — Specification for wrought steel.

Part 3 — 1987 — Specification for 1.5 per cent manganese steel castings.

AS 1338 — 1981 — Filters for Eye Protectors —

Part 1 — 1981 — Filters for Eye Protectors against Radiation Generated in Welding and Allied Operations.

Part 2 — 1981 — Filters for Protection Against Ultraviolet Radiation.

Part 3 — 1981 — Filters Protection Against Infrared Radiation.

AS 1336 — 1982 — Recommended Practices for Eye Protection in the Industrial Environment.

AS 2161 — 1978 — Industrial Safety Gloves and Mittens.

AS 2210 — 1980 — Safety Footwear.

AS 1891 — 1983 — Industrial Safety Belts and Harnesses.

AS 2626 — 1983 — Industrial Safety Belts and Harnesses — Selection, use and maintenance.

AS 2294 — 1990 — Earth-moving machinery — Protective Structures (as amended).

AS 2294 — 1979 — Protective Structures for Operators of Earthmoving Machines.

AS 1801 — 1981 — Industrial Safety Helmets.

AS 3637 — Part 1 — 1989 — Underground mining — Winding suspension equipment — General requirements.

AS 2958 — 1988/ISO 3450 — 1985 — Part 1 — Earth-moving Machinery — Safety — Wheeled Machines — Performance Requirements and Test Procedures for Braking Systems.

AS 2802 — 1985 — Reeling and Trailing Electric Cables for Mining and General Use (Other than Underground Coal Mining) — Elastomeric Flexible Cables for Working Voltages 1.1/1.1 kV up to and including 33/33 kV.

AS 3116 — 1981 — Approval and Test Specification for Elastomer Insulated Electric Cables and Flexible Cables for Working Voltages up to and including 0.6/1 kV.

AS 3118 — 1986 — Approval and Test Specification — Electric Inspection Handlamps (as amended).

AS 3178 — 1975 — Approval and Test Specification — Silicone Rubber Insulated Electric Cables and Flexible Cables for Working Voltages of 0.6/1 kV (as amended).

AS 1657 — 1985 — SAA Code for Fixed Platforms, Walkways, Stairways, and Ladders.

AS 1802 — 1985 — Reeling and Trailing Electric Cables for Underground Coal Mining Purposes.

AS 3007 — 1987 — Electrical Installations — Surface Mines and Associated Processing Plant —

Part 1 — Scope and Definitions.

Part 2 — General Protection Requirements.

Part 3 — General Requirements for Equipment and Ancillaries.

Exposure Standards for Atmospheric Contaminants in the Occupational Environment, Guidance Note on the Interpretation of Exposure Standards for Atmospheric Contaminants in the Occupational Environment, National Occupational Health and Safety Commission, May 1990.

Code of Practice, First Aid in the Workplace.

Order to Classify Explosives, Victoria Government Gazette, No. S66, 7 July 1988.

Public Service Act 1974 — PSD No. 31.

Racing Act 1958 — Nos 219 to 221.

Registration of Births Deaths and Marriages Act 1959 — No. 216.

Proclamations of His Excellency the Governor in Council fixing operative dates in respect of the following Acts:

Mineral Resources Development Act 1990 — Sections 1 to 125, 126(1), 126(3), 127, 128 (Schedule 1 items 1 to 16, 19 to 23, 25 to 33) and 129 (Schedule 2 items 1 to 12) — 6 November 1991 (*Gazette* No. G42, 30 October 1991).

Shop Trading (Further Amendment) Act 1991 — 1 November 1991 (*Gazette* No. G42, 30 October 1991).

Ordered that reports tabled by Clerk be considered next day on motion of Hon. R. S. de FEGELY (Ballarat).

ALBURY-WODONGA AGREEMENT (AMENDMENT) BILL

Second reading

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

That this Bill be now read a second time.

The Albury-Wodonga growth centre was established in 1974 after agreement was reached between the then Prime Minister and Premiers of Victoria and New South Wales. Each of the participating governments enacted complementary legislation which established three statutory corporations:

the Albury-Wodonga Development Corporation under the Commonwealth Act;

the Albury-Wodonga (Victoria) Corporation under the Victorian Act; and

the Albury-Wodonga (New South Wales) Corporation under the New South Wales Act.

The three corporations have common membership. Administratively the three organisations act as one body and all the staff are employed by the Albury-Wodonga Development Corporation under the Commonwealth legislation. The Victorian legislation is the Albury-Wodonga Agreement Act 1973, which is subject to amendment by this Bill.

As well as amending the Victorian legislation the Bill incorporates an amended Albury-Wodonga

Area Development Agreement, which is the linking mechanism between the three governments.

In 1988 the tripartite Ministerial Council established a working party of officials from the three governments to review the role, structure and operations of the development corporation. The working party reported in 1989 recommending changes to the role of the development corporation, its structure and the planning process in the region.

The Ministerial Council has accepted the recommendation that the boards of the corporations be restructured to provide for seven part-time members with a full-time chief executive officer. This is to replace the original structure of three full-time executive officers, who were the chairmen of each corporation, plus five part-time members.

The return of local planning powers to the elected municipal councils is a further recommendation endorsed by the Ministerial Council. The development corporation's original plans were based on much higher population projections than have eventuated. The current population of around 88 000 is well represented by local government, which is equipped to handle local planning matters. The Ministerial Council continues to endorse the corporation's involvement in and support for the Albury-Wodonga Region Planning Advisory Committee, which provides a forum for the review and evaluation of regional planning issues.

The corporation will cease to be the responsible authority for planning approval purposes in the growth centre. It will, however, continue to be the lead agency in the future development of the region.

The Bill also includes a number of administrative changes that will enable the corporation to be a more effective development body with a more flexible operating structure. When the reform package is fully implemented the corporation will be well equipped to meet the needs of the participating governments and those of the community it serves.

I commend the Bill to the House.

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

Debate adjourned until Tuesday, 19 November.

DISABILITY SERVICES BILL

Second reading

Debate resumed from 17 September; motion of Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs).

Hon. ROSEMARY VARTY (Nunawading) — I think it is fair to say that general public and community awareness of the needs and rights of people with disabilities has increased markedly over the past decade, certainly over the past few years. The awareness is of the special needs over a wide range of areas of activity of people with disabilities. Some 15 per cent of Victorians suffer from a disability and about half that number are handicapped by a disability.

Members of the coalition are concerned to ensure that maximum assistance is provided to people with disabilities. That does not necessarily mean that extra money should be allocated; it means that the services provided should be maximised. Assistance should be given through increased care, training and the opportunity for improvement in the lifestyles and the quality of life of the disabled.

I think it is fair to say also that the government has talked a lot about social justice. Social justice is not the province only of the government and it is not an expression that should be bandied about just because it sounds good. Social justice encompasses equity and fairness, including access to and equality before the law, and a fair go for everybody, particularly people with disabilities.

Through its gross economic and financial mismanagement the government has particularly sold out people with disabilities. The government has squandered millions and millions of dollars that could have been spent on providing access to the services needed by people with disabilities. The non-discretionary commitment of some 25 cents in each dollar of State tax revenue to service debt charges is an absolute disgrace! The result is that in Victoria the sins of the fathers will be visited upon the second and third generations, and perhaps even the fourth and fifth generations. Such a legacy is totally intolerable when one considers the needs of people with disabilities.

The only way that Victorians — particularly those with disabilities — can be assured of gaining social justice is through the election of a coalition government. Services provided for people with

disabilities must focus on their needs and not be centred around the needs of the people in the bureaucratic system. Over the past few years Victorians have witnessed officers of a number of departments with responsibility for delivering human services demonstrating that they have become self-centred and concerned with empire building rather than providing the services that should be delivered.

Over the past few days daily newspapers have contained reports of another instance of such an attitude, this time in the protective services area. I acknowledge that the reports do not relate to activities in the area of the provision of disability services. However, the opposition has directed attention to the problems that have been reported again recently. Members of the opposition hold grave concerns about the fact that the report mentioned in the daily newspapers has not been released by the Minister for Community Services.

The Disability Services Bill forms part of a package that includes the recently signed Commonwealth-State disability agreement. A precondition of the implementation of that agreement is that the Disability Services Bill is passed and its provisions are put into effect. If the Bill is not passed, the Commonwealth-State agreement will not be implemented.

The main points of the Bill are that it will put in place, as I said, the Commonwealth-State disability agreement. The five-year agreement relates purely to the administration of services for people with disabilities. At present an individual may receive services from an agency funded by the Commonwealth government at the same time as he or she is receiving services provided under different guidelines by a State government. Difficulties have arisen for service providers because currently different contractual arrangements are sometimes made. Honourable members can readily understand that at times unnecessary bureaucratic duplication is experienced.

The Commonwealth-State agreement clarifies the level of government responsibility at both Federal and State levels. Victoria will administer accommodation and other support services, as well as areas such as advocacy, and research and development will continue to be the responsibility of both levels of government.

As I said, the Commonwealth-State agreement requires that State governments introduce legislation

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complementary to the Commonwealth Disability Services Act. Victoria is the first Parliament to consider such a Bill. Initially funding will be provided to the States through specific purpose payments. The final method of funding will be decided upon at the special Premiers Conference to be held this month. The Commonwealth government will consider the States' capacity to meet their responsibilities under the agreement in the context of any matters that arise at the conference.

The agreement provides for a review of the financial arrangements before the end of the first year. An external independent review of the agreement will occur three years after its commencement and will be completed before a new agreement is negotiated. It is fair to say that the signed agreement is a fait accompli.

The opposition has concerns about some aspects of the Bill, although a number of them will be addressed by a government amendment proposed to be moved in the Committee stage. My colleagues in the other House raised a number of issues but the opposition believes they are not matters of substance now that the government has agreed to omit clause 7.

It is important to record what a coalition government would do in the field of intellectual disability services. It would provide a flexible service and would conduct a full audit of Community Services Victoria (CSV) to ensure that programs for people with disabilities are adequately funded. It seems to me that after the revelations of the past few days a number of audits should be undertaken into the effectiveness of service delivery as a separate item over and above funding.

The coalition would also shift the emphasis of funding by expanding the role of the non-government sector and community organisations and agencies. The Burdekin report was strongly of the view that governments should keep out of the service delivery area because services are much more effectively delivered by community organisations and agencies.

The coalition believes CSV should provide the core administration, policy development, auditing and monitoring functions to ensure that the performance of agencies meets established criteria. I suggest there is a significant need for those criteria to be set down in a much clearer form. There have been a number of instances, including the one over the past few days,

where agencies have requested that the criteria be more clearly defined.

The coalition will ensure that the current policy of decentralisation continues, but it believes where congregate care is required for people with severe disabilities the highest possible standard of care should be available. It is becoming increasingly clear that there is still a need for congregate care for the severely disabled or respite care for families or residential units where people with disabilities are cared for.

The coalition would set priorities for cases and services and would encourage the staff of agencies and governments to further their training and improve their skills through further study.

The coalition also supports an expanded role for non-government community-based services as service providers. It believes a partnership should be developed. The coalition wants to change the present culture that pervades a number of service delivery areas in CSV.

The coalition supports the Bill, subject to the proposed amendment that will omit clause 7.

Hon. R. A. MACKENZIE (Geelong) — I support the proposed legislation and the comments of Mrs Varty. On reading the Bill it is difficult to argue with any provision. The second-reading speech of the Minister is almost a statement on motherhood: you could not disagree with any aspect of it. However, I express concern about the practicalities.

Only this week I had a meeting with a number of people associated with a Karingal group that houses people with disabilities, especially the intellectually disabled, in Geelong. We discussed many problems experienced by the disabled people in the Geelong region.

I refer the House to a program that assists the intellectually disabled to maintain a normal lifestyle in private homes and in boarding houses that are supervised by members of the Karingal staff. I was advised that there is serious concern about a lack of funding. The Bill refers to the provision of sufficient funding for community services and the second-reading speech states:

The principles and objectives reaffirm the rights of people with disabilities, whether they be of an intellectual, psychiatric, sensory or physical nature, to

the same basic human rights as other members of Australian society.

Who can argue with that? However, in the real world these people are having significant difficulty in maintaining those rights. Staff are overworked because of the lack of funds. Some staff are working between 12 and 15 hours a day in supervising the intellectually disabled. These people do not know whether they can continue and are extremely concerned about the new funding arrangements. They are unsure whether there will be sufficient funding for their services to continue operating.

Another problem raised was the issue of the aged parents of intellectually disabled people. What will become of parents who have looked after their children for many years when they become too old to look after them any longer? There is insufficient accommodation available for those disabled people. Many aged parents are worried about the future of their children.

I shall take the opportunity to raise with the Minister the extreme concern expressed to me by members of the Karingal staff. The Minister is well aware of the work of the Karingal group because she has visited Geelong on several occasions. The group is facing a desperate situation because its members are being overworked and some of them are finding it impossible to continue.

A former social worker, Jim Hussein, has done some amazing work in Geelong. He could not stand the bureaucracy and branched out on his own. Off his own bat he set up two houses for the intellectually disabled and now looks after and supervises eight people. He uses their pensions to pay the rent and buy the food. He gets them up in the morning, assists in preparing their breakfast and gets them off to work. He then goes off to his own job and is back to assist in preparing their dinner. This man is doing an excellent job and has saved the government hundreds of thousands of dollars.

Hon. K. I. M. Wright — Where is this?

Hon. R. A. MACKENZIE — The two houses are in Belmont, a suburb of Geelong. If the organisation is there one does not need a great deal of money. The Bill lays down all the principles in legislative form. I have great pleasure in supporting the Bill but point out to the Minister and the government that legislation of this kind is only as good as the funding provided to make it work. I ask the government to consider the matters I have raised and the whole

issue of catering for the needs of the intellectually and physically disabled so that they have the same rights and freedom enjoyed by other less disabled members of our society. We are all disabled in some way, whether we wear glasses or hearing aids — or walk with a limp from a football injury.

Very few of us are in perfect shape. We should be helping those who are more disabled than the rest of us. They are entitled to enjoy the same lifestyle as we do. I support the Bill and hope the government will take note of the matters I have raised.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 6 agreed to.

Clause 7

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — I move:

Clause 7, omit this clause.

The amendment is in response to concern expressed by the opposition. A number of discussions took place with officers from Community Services Victoria, with the Minister's staff and with the Minister, which resulted in the amendment.

The opposition was concerned that clause 7 might have allowed wide discretionary power for the government to amend or make substantial changes to Schedule Two and Schedule Three without the matter being referred to Parliament. The opposition wanted to ensure that Parliament had the opportunity of scrutinising any proposed changes to the schedules.

Hon. ROSEMARY VARTY (Nunawading) — I thank the Minister for moving the amendment. The opposition was concerned that clause 7 would give wide and sweeping discretionary powers to the government to make substantial changes to the schedules without reference to Parliament and without any need to consult with those who would be affected by those changes. The opposition supports the amendment.

Amendment agreed to; clause negatived.

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Schedules agreed to.

Reported to House with amendment.

Report adopted.

Third reading

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — I move:

That this Bill be now read a third time.

I thank Mrs Varty and Mr Mackenzie for their contributions and assure them that their comments will be passed on to the Minister for Community Services.

Motion agreed to.

Read third time.

STATE INSURANCE OFFICE (SALE) BILL

Second reading

Debate resumed from 31 October; motion of Hon. D. R. WHITE (Minister for Manufacturing and Industry Development).

Hon. R. M. HALLAM (Western) — The State Insurance Office (Sale) Bill is the second attempt by the government to gain Parliamentary approval for the sale of the State Insurance Office (SIO). The Bill provides a form of packaging in anticipation of that sale either as a going concern or as the constituent parts of the SIO. The intent of the government to sell the State Insurance Office has been well known; it was announced in the middle of 1990 and confirmed in the 1990-91 Budget. A Bill was introduced in this place in the 1990 Budget sessional period and passed in the other House. The Bill was ultimately stalled between Houses because of the break between the sessional periods and was considered by this House in the autumn sessional period of this year.

It is a matter of record that the government was unable to convince the coalition of the merits of that Bill: it was ultimately defeated. It is no secret that the State Insurance Office is high on the list of priorities for privatisation when a coalition government is elected.

The coalition has made it clear that its opposition to the Bill in its previous form was not based on some

fundamental objection to the concept of the sale of a public asset but was related to the way in which the sale was to be undertaken and the question of what would happen to the proceeds.

It is important that I recap on the general background against which this Bill has been considered by the coalition and provide a rationale upon which a decision has been framed.

The coalition had a number of concerns about the earlier Bill and many of those concerns remain unresolved. The first concern went to the basic issue of the motivation of the government. That concern remains one of the issues in respect of the present Bill. It is obvious that the motivation was desperation to prop up the ailing Budget, as evidenced by the fact that nobody in the government talked about the relativities of yield. Nobody mentioned the word "yield" at all. While the coalition may be concerned about the extent to which the SIO has been methodically and systematically bled under the guise of a public authority dividend, there is no argument that the SIO is an extremely valuable revenue source for the State.

Last year the State Insurance Office paid a dividend of \$34.1 million directly into the government's coffers. If one examines the current Budget, one sees that the government will increase that dividend to \$35 million for the current year.

The relevant point is that that yield was simply not mentioned in the context of the earlier Bill. No-one argued about the relativity of the price; in fact, no-one mentioned price at all.

It seemed to us on this side of the House that there had to be a fundamental threshold; namely, that price which would be greater than a simple capitalisation of the revenue stream being enjoyed. No-one from the government ranks could argue that that was overlooked or forgotten because any rational assessment of a capital investment, not simply investment in the State Insurance Office, would obviously have to take into account the current anticipated earnings yield. The fact that that was not mentioned made the opposition gravely suspicious.

In the view of the opposition it was clear that the rush to purloin the SIO was motivated by the opportunity to grab the cash rather than to improve on the yield from that capital investment. It was not the result of a genuine and rational review of a

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major investment — it was a fire sale and was driven by desperation.

The concerns of the opposition in that context were heightened by the general background against which the negotiations had taken place. The economic climate did anything but give us confidence about the outcome. It was clear that the SIO was to be flogged off not because the sale made good economic sense but simply because the proceeds were available. Nothing that has happened in the interim has caused me to change my view. I am still very concerned about the motivation of the government. In my view a number of schemes that have been unearthed since and the level of skulduggery displayed in the current Budget confirm that we had every right to hold that fear.

The opposition's first concern related to the government's motivation. The second concern went to the process of the intended sale. The opposition came to an early conclusion that the tender process that had been laid out was nothing but a sham. We had had previous experience on which to base that concern: the transfer, for want of a better word, of State Bank Victoria to the Commonwealth Bank. It was clear that in that case the ultimate purchaser had been anointed prior to the tender process being undertaken.

The tender process in that case was simply a means of justifying a particular outcome. It was clear who would be the successful tenderer. I think the same circumstances applied to what the government euphemistically described as the sale of the SIO: it was clear that the successful tenderer was to be the Transport Accident Commission (TAC) and that the tender process was to be nothing more than a charade, albeit a sophisticated and expensive charade.

So, based on a number of pertinent and undeniable facts, the opposition had a fundamental objection to the suitability of the TAC as the successful tenderer for the SIO. Firstly, we were extremely concerned about the talk of the "profit" to be generated by the sale of the SIO to the TAC, which was widely reported to be in the vicinity of \$300 million.

The concept of that sale or transfer was nonsensical. The SIO and the TAC are both statutory authorities and, by a twist of fate, were exactly the same statutory authority until a few years ago. The opposition was intrigued as to how the transfer of one authority to another could generate a profit — it was a total mystery. It seemed to the opposition to

be simply a matter of transferring resources from one pocket to another.

I remember saying at the time that if that was the government's solution to our problems we should simply set up a round robin and have our statutory authorities buy and sell each other until we had sufficient profit to pay off the State debt! It was as crazy as that. The opposition had real concerns about all that talk of profit. It seemed to us that it was a sophisticated mechanism for the government to gain access to the TAC's reserves, which had been built up over the years by payments derived from Victorian motorists.

It was the view of the opposition that, if the reserves of the commission were sufficiently strong to withstand a \$300 million raid, Victorian motorists had been hoodwinked and third-party premiums should be reduced to take account of the strength of the reserves.

In addition to the opposition's concern about the TAC being the successful tenderer, it saw a complication in that the acquisition by the TAC did nothing to complement or extend the insurance market. The TAC not only has a place in a captive market but also has the advantage of marketing a compulsory product — that represents the absolute epitome of a monopoly.

Given that situation and the strength of the TAC as a statutory authority it was clear to the opposition that the TAC would enter the general insurance market and could use its fortuitous status and the incredible cash flow it enjoys as a result of its position to extreme advantage. The opposition saw that as being unfair if it were wielded against the private insurers in the market.

The opposition made the point that allowing the TAC access to the general insurance market from its favoured position was a long way removed from the opposition's definition of legitimate privatisation. The opposition was not at all happy at the prospect of the TAC being the successful tenderer.

The opposition had a more basic concern, that if the TAC were even a tenderer, far less a successful tenderer, it would corrupt and pollute the tender process. Any authority or private tenderer that was aware of the status and strength of the TAC would need to consider the nature of that competition in the tender process.

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If it were clear that the TAC was to get the nod — it was clear to the opposition and was supported by the government's philosophical position — not only would the outcome be presumed but the other tenderers would be bluffed out of the market. On that basis the opposition saw the involvement of the TAC as the worst of all possible worlds.

The opposition had grave suspicions about the process, notwithstanding the view I outlined earlier that it saw no compelling reason to retain the SIO. The opposition had considered the fact that compulsory third-party insurance had been directed to the TAC, that there was no longer a need to have an insurer of last resort in the workers compensation field and that there was no abiding rationale for the retention of a general insurance house.

However, the coalition believed the government's proposal to hive off the State Insurance Office to the Transport Accident Commission was a product of its philosophical hang-up and an opportunity to grab the \$300 million reserves held by the commission. On that basis the coalition was not prepared to support the original State Insurance Office (Amendment) Bill, particularly the provision relating to the Transport Accident Commission.

The coalition was sceptical of the government's intentions and motivation and distrusted the processes outlined. It was not convinced by the description of profit, as used in the context of the proposed transfer of the SIO to the TAC, and saw the commission's involvement as corrupting the market and polluting the tender process.

Further, the coalition's fundamental concern related to the proceeds of the sale itself. What would happen with the capital funds released by the sale? The coalition was told that approximately \$300 million would be used for debt retirement. It has learnt to its cost to be sceptical of the government's lip-service to debt retirement. The coalition has every reason to be sceptical. It has heard consistently about so-called debt retirement strategies, but while the rhetoric that debt management is being given priority is trotted out the State's debt continues to increase at an alarming rate.

That was evident when the Auditor-General's report was tabled. The Auditor-General concluded that during the financial year 1990-91 public sector debt had increased from \$32.6 billion to \$38.1 billion, a \$5.5 billion increase. That is bad enough, but at the same time as the Auditor-General was revealing those alarming statistics the coalition received public

undertakings regarding debt retirement. It reached the conclusion that the State's debt is out of control.

The coalition is not convinced about the claims for debt retirement. It remains extremely sceptical of the concept underpinning debt retirement. It was told that the Victorian Debt Retirement Authority had retired almost \$1 billion of debt in 1990-91 and that the authority has a target of retiring a further \$222 million this financial year, but it is a sophisticated sham. The only debt retired last year was as part of the deal struck for the sale of State Bank Victoria. The fact that it was claimed that debt was being retired made the coalition even more suspicious.

I am not prepared to trust the government, and I do not know of anyone in Victoria who would blame me for saying that. The coalition rejected the State Insurance Office (Amendment) Bill on that basis. Since that Bill was defeated there have been intensive negotiations between the government and the coalition.

I acknowledge the heavy workload undertaken by the shadow Treasurer, the honourable member for Brighton, and the honourable member for Balwyn in another place, and I pay tribute to their enormous energy and effort in ensuring that this Bill meets the legitimate concerns which I have outlined today and which were outlined during the debate on the previous Bill.

I think — I put it no higher than that — that this Bill contains the protective mechanisms covering the concerns that I have raised and achieves what is sought. I make it clear that the decision not to oppose the Bill has not been taken without fundamental misgivings. I am still sceptical and nervous. It would be tempting to reject the Bill. The coalition need only look at past experience where the government has attempted to put things over the coalition. I do not believe anyone would blame the coalition for being sceptical of the government's intentions on the basis of its experience. It is clear we have responsibilities as members of Parliament and representatives of our electorates and we must take into account that we have no right to frustrate the government for the sake of it, particularly in this case, because the coalition made it clear that it had no objections per se to the sale of State Insurance Office.

It would have been hard to maintain an argument against a Bill proposing the sale of the SIO when the coalition had admitted that the sale of the bank was a policy priority. The coalition's primary objective

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was thus to get the best deal from the circumstances. Its decision pivoted on whether the coalition could ensure that the proceeds of the sale of the SIO were used solely for the retirement of debt. The coalition will not oppose the Bill but we will watch this deal like hawks and will ensure that the undertakings given by the Treasurer are honoured.

There are two major differences between this Bill and the State Insurance Office (Amendment) Bill. The first fundamental difference is that the Transport Accident Commission is specifically excluded as a bidder for the State Insurance Office. It is prohibited from buying shares in the office either directly or through an intermediary, and the coalition presumes it has effectively excluded the commission from gaining control of the SIO. I confirm that coalition support for the Bill not only assumes that to be the case but is conditional upon it.

The Bill is clear and I quote directly from proposed section 28A(1):

The Commission must not, whether alone or jointly with any other person, or as a result of any arrangement or understanding with another person, directly or indirectly acquire, or offer to acquire, an interest in an SIO company or in any business carried on by an SIO company or in any existing business of the State Insurance Office.

I think that provision covers every possible eventuality. I repeat: it is on the basis that that is met to the letter that the opposition parties agree to the Bill. There have been some discussions between the parties and there is a view that the preclusion provision is just too stringent, that it goes over the top, and that it may — I use the word “may” advisedly — preclude the Transport Accident Commission from investing in a particular company simply because it holds some shares in the State Insurance Office.

I do not want to be pedantic and I do not really want to go over the top because the thrust of what we are trying to achieve does not go to the extent of saying that the Transport Accident Commission cannot indirectly hold a single share in the State Insurance Office. That was not our intent, but we have to be very careful to ensure that there are no doors left open and no potential for smart manoeuvres to enable the Transport Accident Commission to gain control. I repeat: it was not our intention to ensure that coverage was precluded absolutely. I do not think that is the case, based on my reading of the

Bill, but I repeat: our abiding concern is that we have not unwittingly left any back door open.

The second issue is that of the proceeds and their employment for the retirement of debt. There is a fundamental difference between this Bill and the Bill which was previously before the House and which was denied passage. This Bill requires stringent, almost extraordinary reporting standards. It requires the Treasurer to report to Parliament within a specified time of the sale or the part sale, and the content and format of that report is specified in detail in the Bill.

I refer honourable members to proposed section 20B(5), which states:

Each report ... must include —

- (a) a statement of the date upon which the transactions concerned were completed;
- (b) a description of the assets, liabilities, undertaking or business the subject of the transactions concerned;
- (c) details of the consideration for the transactions concerned and of any other money payable in respect of the transaction;
- (d) a summary of the effect of any guarantees or indemnities provided; and
- (e) any other material facts, terms or conditions concerning the transactions.

I pay tribute to my colleagues who have engineered the structure of that protection mechanism. In my view it certainly covers every possible eventuality and risk. I point out again that that requirement is absolutely unprecedented in its detail and its specifics and it is on that basis and in the light of that undertaking that we have agreed that the Bill should proceed.

I believe we have every possible loophole covered. But it is not a matter of being relaxed about the deal; it is a matter of nailing down every possible conceivable opportunity for the government to wriggle around what we regard as being the terms of this arrangement.

I must say that if I were the Treasurer I would be dreadfully embarrassed at the specifics of the undertaking that the current Treasurer has given. In my view they are extraordinary. However, I am not embarrassed in the slightest about imposing those conditions on the State Treasurer because we have learnt to our cost that we need to cover every

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potential eventuality. As I said, I think we have it covered.

As a matter of interest, the undertaking includes a commitment in respect of dividends. Apart from the normal dividend all proceeds are to go to the Victorian Debt Retirement Authority for the retirement of debt. More importantly, a commitment has been given by the Treasurer that — and I quote directly because it is the key to our position — “no additional borrowings will result from expunging debt from the proceeds of the sale”. To the extent that the government can be trusted — and I raise a great question mark over that issue — I do not know of any other commitment that could be sought. It simply says that the Treasurer gives his word that the opportunities provided by the receipt of the capital realised by the sale of the State Insurance Office will not be used to allow other borrowings to be taken up.

The third issue in respect of this Bill relates to the limitation of liability. One of our concerns at the time the previous Bill was debated was that the Treasurer could give a very attractive commitment in respect of indemnities extended to a potential purchaser and thereby pump up the cash value of the asset at the expense of long-term liabilities that would be incurred. I think that has also been covered.

Under the provisions of the Bill indemnities are restricted to \$40 million, so it is not open-ended at all. I am not convinced that that represents a valid and absolute protection, but it would have to be conceded that the mere fact that the indemnity has been specifically mentioned and has been specified in the Bill as a maximum of \$40 million must send a very clear signal to the intending purchasers. That represents a valuable protection mechanism as well. A purchaser could then hardly argue after the event that our intentions left any room for debate. That seems to me to be a valid protection mechanism. I hope it is effective, but I must say it is very difficult to assess those sorts of issues from the outside looking in.

Another issue that has arisen since the previous Bill was considered by Parliament is negotiations affecting staff security. Several provisions have been included in the Bill that are designed to protect the staff in any sale of the business. For instance, clause 10(1) makes it very clear that if a purchaser acquires the whole or a part of the business the purchaser becomes the employer of the staff members determined by the board of the SIO to have been

engaged in the acquired business immediately before the relevant day and on terms that are no less favourable than those which were enjoyed immediately prior to the acquisition.

I am not sure that provides anything other than a nice warm glow, given the fact that the ultimate purchaser is not a party to the contract. Nonetheless it makes clear the intent of Parliament that we should, at least to the extent that we are able, protect the staff who are currently employed at the SIO.

Under the provisions of the Bill the staff will remain public servants and after three months and within two years they will be able to take up formal classification accordingly. In other words, the Public Service records of those currently serving the SIO will not be put at risk and during the period I have just outlined they may apply for appointment to the Public Service.

Clause 10(6) provides that staff members can retain membership of the State Superannuation Fund for two years and if a member has had twelve years in the Public Service and is at least 42 years of age he or she can elect to extend that membership beyond two years, indeed to the date of retirement. That is probably as much as can be done given the circumstances.

Concern has been expressed about the equity of twelve years Public Service and being 42 years of age being the requirement for continued membership of the superannuation fund, but I believe no matter where the cut-off point is placed there will be someone who fails to qualify and who is then dissatisfied with the arrangement.

I have heard the arguments put by the Victorian Public Service Association and I do not object to what it seeks, which is fair, but in my view the government must take the initiative to change that clause. It would be crazy for the coalition to say to the government, “You amend the clause or we will refuse to pass the Bill”. That is about all the coalition has available to it, but I believe it would be an inappropriate bluff.

If I were looking for an excuse to say no to the Bill I would not rely upon the provisions for staff, but instead would hang my hat on the provision for debt reduction.

The coalition will not oppose an amendment accommodating the proposition put forward by the VPSA, provided it is sponsored by the government,

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and that has been made clear to those involved. If the government initiates that change the coalition will not oppose it. We did not have much bargaining power once we announced the fact that we would support the Bill, and it would be an empty threat to now say that our support was conditional upon some further issue being resolved. The Bill could well fall between two stools — representing the two Chambers — and nothing would be gained. In essence, we are sympathetic to the requests made by the staff but we are not prepared to determine the outcome of the Bill on that issue alone.

The Bill packages the SIO in readiness for its sale — whether in whole or in part. The coalition has no objection to the sale of the SIO, indeed the reverse is the case. Our concern is the need to ensure that when a public sector asset is sold competition is thereby increased. That appears to be the fundamental test of privatisation. However, we have an abiding concern that the proceeds be used to retire debt.

In the time that has passed since the first Bill was denied many hours have been spent searching for

the words to accommodate our concerns. I believe we have covered these matters, but I make it clear that for our part it should not be presumed that the Bill captures our stated objectives, and it is absolutely conditional upon that outcome. Against that background and those assumptions, I conclude by saying the coalition will not oppose the Bill.

Debate adjourned on motion of Hon. R. A. MACKENZIE (Geelong).

Debate adjourned until next day.

ADJOURNMENT

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

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

Motion agreed to.

House adjourned 5.56 p.m.

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The PRESIDENT (Hon. A. J. Hunt) took the chair at 10.33 a.m. and read the prayer.

ENVIRONMENT PROTECTION (RESOURCE RECOVERY) BILL

Introduction and first reading

Received from Assembly.

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

QUESTIONS WITHOUT NOTICE

HOSPITAL FUNDING

Hon. M. T. TEHAN (Central Highlands) — Health Department Victoria has recently refused an application made by St John of God Hospital at Geelong for an additional 30 acute beds. In view of the closure of public hospital beds in Geelong due to government budgetary restraints, will the Minister for Health tell the House on what grounds the application for the additional private beds, much needed in Geelong, was refused?

Hon. M. A. LYSTER (Minister for Health) — I thank Mrs Tehan for her timely question. At the request of Mr Henshaw and Mr Shell, the honourable member for Geelong in the other place, I am meeting representatives of St John of God Hospital at 12 noon today. I shall be pleased to hear the position that will be put by the people from the St John of God Hospital, whom I am encouraging to continue to talk with Health Department Victoria about not only what they perceive as the need in Geelong but also their broader health care system involving developments at Warramboul and perhaps in other parts of the State.

At this stage I should like to hear what the people from the St John of God Hospital have to say, and I shall be pleased to advise Mrs Tehan at a later date.

CAMPERDOWN ABATTOIR

Hon. R. M. HALLAM (Western) — I refer the Minister for Manufacturing and Industry

Development to the major industrial dispute that has embroiled the Camperdown abattoir and more particularly the recent news that the owner of the operation has decided to abandon plans to reopen the works.

Given the importance of the meat industry generally and the critical need to save the jobs and payroll of what was Camperdown's second largest employer, I ask the Minister what action he intends to take to salvage this operation.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — Clearly all honourable members would agree that the meat industry has a very important place in the Victorian economy. It is also clear that Victorian beef products are in many ways superior to beef products produced in other parts of Australia. A number of leading employers in the meat industry are working soundly and have excellent export prospects in the Pacific region.

The government has made a commitment to those employers. I met a number of them as recently as last week and advised them that my department is committed to working with them, as they have requested, to help them secure markets in the Pacific region. At their request the department will also work with them on work practice issues.

In relation to the Camperdown abattoir, if there is a major industrial dispute, it is an appropriate issue for the Minister for Labour. With respect to the employers I have met who are operating successfully in Victoria and wish to expand their operations, because of their confidence in their ability to operate here — I refer to such operators as the Bunge meatworks, with whom my department is continually, although not exclusively, working — we are prepared to consider and work through their requests. If an effective, longstanding operator in the market wants assistance and is prepared to maintain and enhance his investment in Victoria, we are prepared to work with him.

My department is prepared to work with any operator who has a particular view about improvements in work practices as a consequence of his confidence in working in Victoria. Any matters related to the Camperdown meatworks should be referred to the Minister for Labour.

MELBOURNE AIRPORT

Hon. G. A. SGRO (Melbourne North) — The Minister for Manufacturing and Industry Development has previously advised the House of the economic importance of Melbourne Airport and the need to improve its handling capacity and facilities. Will the Minister advise the House of the latest developments in this important matter?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I repeat to the House that the government is more than satisfied with the performance of the domestic terminal facilities at Tullamarine airport. However, it is essential that a number of things happen if Melbourne's international airport is to make the maximum possible contribution to the Victorian economy.

It is clear that the expansion of international terminal facilities at Melbourne Airport needs to be expanded to bring it to proper world standard. The Victorian government is continuing discussions with the Federal Airports Corporation in support of the expansion of the international terminal facilities at the airport. It is important that Melbourne Airport at least has adequate capacity for the projected traffic through the airport for most of the decade. The current capacity is not satisfactory.

Recently the government held discussions at Melbourne Airport with the Federal Airports Corporation about jointly funding a terminal and precincts study of the airport. It is hoped the study will define more clearly the appropriate time to move beyond the existing international terminal and construct a new terminal building on a separate site. It is hoped a satisfactory relationship can be formed with the Federal Airports Corporation in relation to that feasibility study.

In the meantime it is clear that the capacity and facilities of the existing terminal must be brought up to standard, and that is a matter of priority. The government hopes the Federal Airports Corporation will urgently attend to that matter.

The government is aware of discussions in New South Wales about the importance in terms of economic development of the construction of a third runway in Sydney. I put on record the fact that it is of the utmost importance that the Federal government ensure that Melbourne Airport has an effective and adequate terminal. The Federal government must also work to encourage airlines to

schedule greater numbers of direct international flights in and out of Melbourne.

Through our relationship with Taiwan we have an excellent opportunity. Our volume of trade with Taiwan is now greater than the volume of trade with the United Kingdom, and it is important that that trade relationship is supported by direct flights to Melbourne. As a consequence of the forthcoming visit by at least one senior Minister from Taiwan it is hoped that such a relationship can be secured. It may also mean securing a change in the equity arrangements within the domestic airlines.

The government hopes the Federal government and the Federal Airports Corporation will give as much attention to the need for an appropriate international terminal at Melbourne Airport in an Australian as well as a Victorian context as they are currently giving to the issue of the third runway in New South Wales. The government will continue to pursue the issue as a matter of urgency with both the Federal government and the Federal Airports Corporation.

PRODUCT LIABILITY LAWS

Hon. B. A. CHAMBERLAIN (Western) — I refer the Minister for Manufacturing and Industry Development once again to product liability laws being developed by the Federal government and their potentially adverse impact on Victorian industry, especially industry involved in new technology. Has the Minister now had the opportunity of discussing the proposals with Victorian industry with a view to making representations to the Federal government to ensure that Victorian industry is not disadvantaged by the moves?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — As a consequence of Mr Chamberlain's raising this matter from time to time and of representations to the government from employer groups, particularly but not exclusively the Australian Chamber of Manufactures, the government has advised the Federal government of its concern. In turn, the Federal government has been awaiting the outcome of work by the Federal Law Reform Commission.

The State government is on record as saying that if the Federal government decides to produce any legislation as a consequence of the work of the Law Reform Commission the State government will produce a response to the commission's report prior to the Federal government contemplating legislation

which takes into account the matters Mr Chamberlain and the Australian Chamber of Manufactures have raised. The government looks forward to rigorously pursuing those issues for the reasons outlined by Mr Chamberlain.

PORTLAND ALUMINIUM SMELTER

Hon. W. R. BAXTER (North Eastern) — My question without notice is also for the Leader of the Government. In respect of arrangements to supply electricity to Alcoa of Australia Ltd, is it a fact that subsidy arrangements have been extended beyond the original contractual arrangement announced back in 1984? Why was this extension agreed to, and why has it been kept under wraps? Will the Minister for Manufacturing and Industry Development advise the House of the details of this extended arrangement and its estimated cost to the Treasury?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — My understanding is that we entered into a contract in 1984 for the resumption of work at the smelter with a long-term contract for 30 years which would relate to the first and second potlines at Portland and which was based on a flexible tariff, with a long-term average price of \$US1700, based on 1982 prices. The details of those activities were made clear at the time.

I should also say that to the best of my knowledge the tariff arrangements were better, from a government perspective, than those previously being offered, that is, prior to the second deferral early in 1982.

As for the question asked by Mr Baxter, I am not aware of any substantial change — in fact, I am not aware of any change — since 1984 to the contract arrangements on the issue of price.

Yesterday I told the House that, if an opportunity arose during the course of discussions about extensions to the first and second potlines or the third potline for consideration of the impact of the flexible tariff on both the extensions to the first and second potlines and the third potline and its implications for current activities, some of the issues that were canvassed in the House yesterday may be discussed.

As I said, I am not aware of any amendments to the contracts entered into in 1984.

If Mr Baxter has a view about that or any specific matter he is prepared to raise that would assist with

the general proposition he has raised, I should be pleased to hear from him further.

ASIAN LANGUAGE STUDIES

Hon. JOAN COXSEGE (Melbourne West) — I ask the Minister for Education and Training to inform the House of the extent to which Asian languages are studied in Victorian schools, and whether any initiatives are being taken to boost that study.

Hon. B. T. PULLEN (Minister for Education and Training) — At the moment approximately 23 per cent, or 12 907 students, of Victorian government primary students who are taking a language this year are taught an Asian language. The main language taught at primary schools is Japanese and it is taught to something like 11 per cent of language students. Indonesian and Mandarin are taught also.

At secondary level about 24 per cent of language students, that is, something like 16 000 students, take an Asian language. Approximately 6 per cent of language students take Japanese and other students study Mandarin, Vietnamese and Indonesian.

In respect of initiatives, the Ministry of Education and Training is involved in a joint project with the Myer Foundation — the Myer Foundation Asian Languages Advancement Award — to encourage the study of Asian languages. The awards were established through a joint initiative of the Ministry and the Myer Foundation in 1989. The Myer Foundation has a longstanding commitment to fostering the study of Asian languages and culture, and the foundation's establishment of Asialink is a good example of that commitment.

In 1989 the Myer Foundation approved a grant of \$35 000 to implement the Asian languages awards and the Ministry provided an officer from the schools program to administer it. The awards were presented for the first time last year and on Friday I shall be participating in the second award presentation in the Parliament House gardens.

The award winners will have been through a process of assessment by language experts in the regions who have made recommendations to the State committee, which in turn decides on the final award winners.

Eight awards will be made — one from each region. It is pleasing to note that the awards have the support of the consulates of Japan, Indonesia and

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the People's Republic of China. The Consul-General for the People's Republic of China, Mr Zhou Mingrong, will attend and present two awards for study in Chinese. The Consul-General for Japan, Mr Kikuchi, will present two awards for programs in Japanese. The current Acting Consul, the Vice-Consul, Cultural Affairs for the Republic of Indonesia, Mr Utomo, will present three awards for Indonesian.

Individual winning schools will receive \$1000. I am pleased to note that winning clusters or districts will receive \$3000 to advance their programs. It is particularly important to note that, in addition to individual and school recognition, there is recognition for excellence and development in languages in districts. The program provides support for schools that are operating language development courses within a district.

As I have advised the House on previous occasions, a robust and solid development of cooperation between primary and secondary schools and school clusters, particularly in country areas, is vital. I am pleased to advise the House that the awards recognise that attribute of school cooperation.

METROPOLITAN AMBULANCE SERVICE

Hon. R. I. KNOWLES (Ballarat) — I ask the Minister for Health whether the Metropolitan Ambulance Service has scrapped its proposed computer-aided dispatch system at a cost of some millions of dollars. What has been the actual cost of this disastrous exercise, and what alternative arrangements have been made to improve the vital communications network of the ambulance service?

Hon. M. A. LYSTER (Minister for Health) — Yes, I am aware that there were difficulties over the letting of the original contract for the computer-aided dispatch system.

Hon. R. I. Knowles — No, the contract was let.

Hon. M. A. LYSTER — It is my recollection that the greater bulk of funds that were expended at the initial stages of the letting of the contract have been recovered.

Mr Knowles went on to ask about the alternative arrangements for the communications system. At different times ambulance officers have expressed their concern and I have sought further investigation of those matters. Different assessments have been

made of the efficiency of the current communications system. For example, there was a dispute as to whether the backup systems at the Doncaster ambulance station, I believe, were functioning appropriately. Those investigations were completed a month or so ago. I do not recall having received a report from the department's director of ambulance services on what action may be taken as a result of those investigations, but we should ensure that the Metropolitan Ambulance Service has access to a high-quality communications system.

I will ascertain whether the independent investigation of the current communications system has raised any real issue of major concern. If there is a need for action to be taken, I will ensure that that is done.

WODONGA DENTAL CLINIC

Hon. D. M. EVANS (North Eastern) — I refer the Minister for Health to the waiting list of the Wodonga Dental Clinic, which has increased from 526 to 590 over the past nine weeks. Some 80 of those people require urgent fillings. I also advise the Minister that the dentist at the clinic has resigned.

The Wodonga District Health Council wrote to the Minister on 21 August but has received no reply. I ask the Minister what action she will take to overcome this crisis in dental care in the Wodonga area.

Hon. M. A. LYSTER (Minister for Health) — I am familiar with the situation of the Wodonga Dental Clinic and I ask the honourable member to pass on my apologies to the Wodonga District Health Council for there being no reply to its letter. I did ask the regional office to pay special attention to this matter.

The fact that the dental clinic exists in Wodonga is something about which we must be very pleased. For many years there was no easily accessible public dental health service in Wodonga. I am pleased that we have been able to operate the dental service for three days a week.

The matter the honourable member raises about the resignation of the dentist highlights a problem we have in trying to move public dental services into country Victoria, as is the situation with a number of other areas in the medical profession, and in other professions, because of the difficulties in recruiting and retaining the services of appropriately qualified

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professionals. In this case it involves dentists carrying out the work in public surgeries.

I know the waiting list at the Wodonga clinic has grown at an incredible rate over the past nine months and the regional office has been trying to find some way in which that three-day clinic can be made into a five-day clinic. My latest information is that the regional office was hoping to find some funds to upgrade the clinic to a five-day clinic.

I shall address the matter of the resignation of the dentist and I assure the honourable member that I will speak to the regional office about what progress has been made in finding funds within the regional allocation to expand that three-day clinic to a five-day clinic.

RENTERS HAVE RIGHTS CAMPAIGN

Hon. LICIA KOKOCINSKI (Melbourne West) — Will the Minister for Consumer Affairs advise the House what response he has had to the Renters Have Rights campaign?

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — The residential tenancies campaign has been a highly successful campaign in increasing the awareness of both tenants and landlords of their rights and responsibilities.

There were nearly 7000 telephone inquiries to the Ministry about renting issues while the campaign was running. This constitutes a 142 per cent increase in residential tenancies inquiries over the previous month, when there were 2800. Many of the inquiries were a direct result of advertisements based on the Renters Have Rights campaign, which was launched on 7 October.

The campaign aimed at informing young people that they had rights and responsibilities when renting, and included television and radio advertising as well as a community awareness campaign.

More than 3000 callers wanted information on their rights and responsibilities or advice about getting repairs done to a rented premises. Many of the callers said that they had been enduring problems for some time and that the campaign had been the catalyst for their doing something about those problems.

Although three-quarters of the callers were in the 15 to 34 age group, there were also a lot of calls from

parents or grandparents who were concerned and were ringing on behalf of their children or grandchildren who were experiencing problems in renting premises.

Many calls were also received from private landlords who were unaware that they had responsibilities with respect to tenancies or that they had to meet various requirements, such as putting bond money into an approved trust account.

The Renters Have Rights campaign also appears to have dramatically raised public awareness of the services offered by the Ministry generally. The total number of consumer and rental inquiries jumped by 7500 during the month to almost 20 000 calls. This is another clear example of the proactive way the government seeks to ensure that information is made available to consumers, tenants and landlords.

The funding for the campaign came from interest earned on tenants' bonds and therefore in a real sense is a way of using the resources of tenants to pay for their education.

An Honourable Member — Did you ask them?

Hon. T. C. THEOPHANOUS — We did.

CONSUMER TRIBUNAL REFEREES

Hon. G. B. ASHMAN (Boronia) — Further to answers given previously by the Minister for Consumer Affairs to questions about a dispute in the Ministry with consumer referees, is it a fact that the referees threatened to go on strike and the Minister's way of resolving that dispute was to agree to an extension of terms of three years for all referees; and if so was there also an increase in their remuneration packages?

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — My understanding is that the referees did not threaten to go on strike at all. They wished to have a meeting to discuss some consultations I had had with them. The Ministry informed them that —

Hon. K. M. Smith — You said yesterday you stopped them going on strike.

Hon. T. C. THEOPHANOUS — Listen to the answer and you will find out what happened. The department informed them that such a meeting was not possible during working hours unless it was a stop-work meeting. The referees reconsidered their

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position following discussions and the stop-work meeting did not proceed.

I had further consultations with the referees about instituting a new process for appointment. The referees are keen to have longer terms than has been the practice in the past: referees were offered appointments of three years. The referees are seeking a lengthening of the contract period to five years.

I advised the referees that I am sympathetic to the view that a longer appointment period is desirable given the semi-judicial nature of their appointments, but it is my view that an independent process for appointments ought also to be put in place.

The referees are considering my proposals on the independent process. Further meetings with them have been arranged for today. I have told them that subject to the findings of the Marshall review and to the implementation of an independent process of appointment of referees that does not necessarily guarantee that at the expiration of the contract period, whether it be three years or five years, reappointment will automatically occur, I am sympathetic to an extension of the term. Those discussions are continuing and I expect that a satisfactory result will be reached.

HIV/AIDS EPIDEMIC

Hon. C. F. VAN BUREN (Eumemmerring) — Although Victoria's record in responding to the world-wide human immuno-deficiency virus/acquired immune deficiency syndrome (HIV/AIDS) epidemic has been excellent, there is a growing concern about the impact of the increase in the incidence of AIDS overseas. I refer in particular to the recently publicised case of an American basketball player. Will the Minister for Health advise the House what measures are being taken to address this concern?

Hon. M. A. LYSTER (Minister for Health) — I thank the honourable member for his question, which reflects the major concern felt by governments throughout the world about the predictions made by the World Health Organisation regarding the spread of this world-wide epidemic. The World Health Organisation estimates that about 1 million children have been born infected with human immuno-deficiency virus or AIDS in 1991 mean that every government has to do everything in its power to arrest the spread of this epidemic.

Victoria has been very successful but there are some measures that are appropriate to take on a national level. I am pleased to announce today that my Federal colleague the Minister for Community Services and Health, the Honourable Brian Howe, will be launching the Travellers Campaign. This is a national campaign aimed at informing inbound, outbound and domestic travellers on the need to protect themselves and others against HIV infection and AIDS.

The campaign will target travellers through information brochures distributed in Australia and overseas; advertising in transit terminals, accommodation venues, in-flight magazines and tourist publications; leaflets in selected languages; and public relations activities designed to generate publicity in travel and tourism media. It will have a positive message in a travel-safe context. Travellers must be aware that AIDS is an issue relevant to them.

The campaign has the total support of all State governments and the travel industry and will gain the support of the community. Australia has coped extremely well internally with the demand placed on our community because of the HIV and AIDS epidemic. It is equally important that we respond to the exponential growth of this epidemic in the world-wide context. I commend the Federal Minister for his action in undertaking this national campaign and I reiterate a message that I and my predecessors have given to the House over a number of years: there can never be room for complacency with the spread of AIDS.

STATE ELECTRICITY COMMISSION

Hon. K. M. SMITH (South Eastern) — I ask the Minister for Manufacturing and Industry Development whether he was aware of the negotiations between the Elcom Corporation of New South Wales and the State Electricity Commission of Victoria for Elcom to supply power to Victoria at a lower cost than could be supplied by the SEC, which would have resulted in long-term savings for the SEC because it would not have had to build Loy Yang B units 1 and 2. Will the Minister also explain why his Ministry has stopped the arrangement going ahead and is putting the SEC in a position of committing massive amounts of money for the construction of Loy Yang B units 1 and 2? Was the decision made because of promises given in the Latrobe Valley before the last State election?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — The contracts for the

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construction of Loy Yang B units 1 and 2 were entered into well before the 1988 election, so on that point Mr Smith is incorrect. No contracts were entered into for units 3 and 4 of Loy Yang B, so he remains incorrect. He is incorrect on both counts.

In regard to the need for base load capacity, the first unit at Loy Yang B is needed for security of supply for the winter of 1993 and will be completed on time at cost by November next year.

In regard to the capacity of the transmission link between New South Wales and Victoria, the government of course regularly has contractual arrangements with New South Wales in respect of interchange of electricity, and it will continue that arrangement as part of the national grid.

The New South Wales electricity authority is not able to supply electricity at a lower cost than Victoria. It is correct that New South Wales has 2000 megawatts of excess capacity, which is a problem of that State's making, not a problem of our making. Even with that 2000 megawatts of excess capacity, it is South Australia's decision to purchase electricity from Victoria and not from New South Wales. South Australia has the opportunity to purchase from New South Wales via the transmission system.

Hon. K. M. Smith — At the cost of transmission.

Hon. D. R. WHITE — South Australia has the opportunity of purchasing at whatever cost is offered by New South Wales and Victoria, and it chooses in the marketplace to purchase from Victoria; that relationship will continue and will be expanded.

In addition to that it is quite clear that the capacity of the transmission link between New South Wales and Victoria is not such that you could use it as a secure long-term substitute for base load capacity at Loy Yang B, and anyone who puts forward that option is ignorant of the transmission system and its capacity.

In relation to the issue of the need for the transmission link, it is predominantly for intermediate and peak load capacity, as will remain the case.

It is quite clear that the recent expressions of interest that will be formalised this week on 15 November are a product of the recognition that the asset of which we are proposing to sell 40 per cent has been planned and designed in a first-class manner by international standards; that we are producing at

Loy Yang B units 1 and 2 an asset of international standing; and that the management within the State Electricity Commission and its capacity, with the work force, to produce electricity at a competitive cost is recognised not only in Victoria and throughout the transmission and electricity system in Australia but also in the United States of America on the west coast and the east coast, and among all utility operators in the United Kingdom, in Europe and in Japan.

It is a pity that the only exceptions to this knowledge and understanding of the transmission system are Mr Smith and other members of the opposition.

RURAL DATABASE

Hon. R. S. IVES (Eumemmerring) — I address my question to the Minister for Ethnic, Municipal and Community Affairs, in her capacity as Minister responsible for rural affairs. Knowing the importance of accurate and appropriate data on rural areas and the opportunity to use that data, is the Minister taking any steps to address the issue of a rural database?

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — For some time now the Office of Rural Affairs has been working with an outposted officer from the Australian Bureau of Statistics (ABS), who is located within the Office of Rural Affairs. His name is Mr Riazi and his task has been to identify the key areas in which information is required and in what databases this information might be contained and then to establish how to get access to the information that is needed.

This work is almost complete and Mr Riazi will be giving staff training courses around those issues in December. The work is being conducted in close association with the Victorian Standing Committee on Statistics and also with the Commonwealth Department of Primary Industries and Energy.

We have been very fortunate to have an outposted officer from the ABS to conduct this work. At the same time the ABS has worked with the Office of Rural Affairs to provide the first really accurate statistical snapshot of rural Victoria. That will appear in a publication called *Methods of Government Service Delivery*, which is almost complete; it should be completed in the first week of December. The statistical information on rural Victoria that it will contain, as well as many good examples of the way services can be delivered quite imaginatively and

cost effectively, will be of interest to most honourable members.

Work is also continuing for the joint State-Federal government development of social and economic indicators, which we hope will provide useful information to all governments and will enable us to continue to monitor the situation in rural Victoria.

We have been singularly fortunate in having the services of this officer. He has enhanced the work done by the Office of Rural Affairs and has enriched our understanding of the statistics. He has, I hope, pointed us in the right direction to the source of information we have needed.

EXPLORATION AND REHABILITATION OF EXPLORATION SITES

Code of practice

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

That the Code of Practice for Exploration and Rehabilitation of Exploration sites dated 6 November 1991 and tabled in the House on 13 November 1991 be approved without amendment.

Hon. M. A. BIRRELL (East Yarra) — Leave is refused.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I give notice that on the next day of meeting I will move:

That the Code of Practice for Exploration and Rehabilitation of Exploration sites dated 6 November 1991 and tabled in the House on 13 November 1991 be approved without amendment.

SOCIAL DEVELOPMENT COMMITTEE

Speed limits

Hon. G. P. CONNARD (Higinbotham) presented report of Social Development Committee on inquiry into speed limits in Victoria, together with appendices, extracts from proceedings and minutes of evidence.

Hon. G. P. CONNARD (Higinbotham) (*By leave*) — This is a most important report which arose from a reference to the Social Development Committee after the occurrence of some serious road accidents

involving buses in New South Wales, after which the government reduced the highway speed limit in Victoria from 110 kilometres an hour to 100 kilometres an hour.

During the course of the inquiry the committee examined local and overseas research to establish whether there was a relationship between vehicular speed and crashes. Little evidence was obtained of a correlation and the committee responded accordingly.

At the same time the committee examined the high profile of speed cameras and it found the community believed them to be primarily revenue-raising mechanisms. The committee rejected that view and recommended that more cameras should be put in place in an attempt to reduce speeding on all roads in Victoria.

The committee was critical of the claims made by the Transport Accident Commission (TAC) of a reduced road toll as a result of the Speed Kills campaign. There were other major factors in the criticism, including the point that no evaluation has been done by the TAC on its campaigns, and the committee recommended accordingly. The committee believes there should be enhanced educative programs for both children and adults.

It is an important report and I trust honourable members will read and take note of its recommendations.

Laid on table.

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

Ordered to be considered next day on motion of Hon. R. I. KNOWLES (Ballarat).

PAPERS

Laid on table by Clerk:

Emerald Tourist Railway Act 1977 — Emerald Tourist Railway By-Law No. 2.

Health Services Act 1988 — Report of Community Visitors for the year 1990-91.

Mineral Resources Development Act 1990 — Code of Practice for Exploration and Rehabilitation of Exploration Sites.

SELECT COMMITTEE ON GOVERNMENT APPOINTMENTS

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Public Authorities Finance Agency — Report and statement of accounts for the year 1990-91.

Public Service Board — Report and financial statements for the year 1990-91.

Rural Water Commission — Report and financial statements for the year 1990-91.

Victorian Development Fund — Report for the year 1990-91.

**Ordered that reports tabled by Clerk be considered next day on motion of
Hon. R. I. KNOWLES (Ballarat).**

SELECT COMMITTEE ON GOVERNMENT APPOINTMENTS

Hon. M. A. BIRRELL (East Yarra) — I move:

- (a) That a Select Committee of five members be appointed to inquire into and report upon all matters relating to the appointment, employment (whether on contract or otherwise) and termination of employees of or consultants to all Victorian government departments, authorities or agencies, and in particular the practices operating in the Public Transport Corporation, the Ministry of Transport and the Ministry of Education and Training.
- (b) That the committee shall consist of two members nominated by the Leader of the Government, two members nominated by the Leader of the Opposition and one member nominated by the Leader of the National Party.
- (c) That the members shall be appointed by lodgment of the names with the President by the Leaders no later than 4 p.m. on Thursday, 14 November 1991.
- (d) That the first meeting of the committee shall be held at 10.30 a.m. on Friday, 15 November 1991.
- (e) That the committee may proceed to the dispatch of business notwithstanding that all members have not been appointed and notwithstanding any vacancy.
- (f) That the committee shall elect a deputy chairman to act as chairman at any time when the chairman is not present at a meeting of the committee.
- (g) That three members of the committee shall constitute a quorum.
- (h) That the committee may send for persons, papers and records.

- (i) That the committee may authorise the publication of any evidence taken by it in public and any documents presented to it.
- (j) That reports of the committee may be presented to the Council from time to time.
- (k) That the presentation of a report or an interim report of the committee shall not be deemed to terminate the committee's appointment, powers or functions.
- (l) That the committee shall, unless it otherwise resolves, take all evidence in public and may otherwise sit in public at any time if it so decides.
- (m) That the foregoing provisions of this resolution, so far as they are inconsistent with the Standing Orders and practice of the Council, shall have effect notwithstanding anything contained in the Standing Orders.

The aim of the motion is to establish a Select Committee of the Legislative Council to inquire into and report upon many issues that have been raised so far, and others that will be raised, about the secret payments made by the Kirner government to its mates.

The heart and soul of the public's concern about this issue is the misuse of scarce taxpayers' dollars to provide golden handshakes to friends of the Labor Party, friends of Ministers and individuals who should not have received that money in law or on grounds of equity.

The aim of the inquiry, because other inquiries have so far not uncovered the full truth, is to ensure that the public is able to understand and be provided with the facts about the extraordinary misuse of public funds; about Labor's contempt for Parliament; about the politicisation of the Public Service; and about the abandonment of Ministerial responsibility by the Kirner government and, in particular, by a number of key Ministers.

The tragedy that has taken place over the past few years is only gradually emerging. The Labor Party has been appointing personal friends and political mates to cushy jobs at the expense of taxpayers. It has been giving secret golden handshakes to individuals who do not deserve the money and whose only reason for receiving the money is their mateship.

We must act to protect the public interest and the Upper House committee of inquiry is designed to hear evidence that will for the first time inform the public about the truth.

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In the absence of this inquiry the Kirner government's cover-up of its secret payouts will continue. The inquiry by the Legislative Assembly Privileges Committee into part of these matters was inadequate and did not go far enough. It has been described as a whitewash and was dominated —

Hon. D. R. White — I take that personally.

Hon. M. A. BIRRELL — I did not say "white lies", I said "a whitewash"!

The inquiry was dominated by the governing party and its decisions were made on the casting vote of the Labor chairman of that committee.

Hon. G. A. Sgro — You are doing the same thing here.

Hon. M. A. BIRRELL — That Lower House committee —

The PRESIDENT — Order! The honourable member may not reflect on proceedings of a committee of the other House.

Hon. G. A. Sgro — You are doing the same thing here because you will have the same situation here.

Hon. M. A. BIRRELL — The Upper House committee that will be established will hear the evidence —

Hon. W. A. LANDERYOU (Doutta Galla) — On a point of order, Mr President, Mr Birrell was called to order by you and has not withdrawn the reflection on the other House.

Hon. M. A. Birrell — What reflection?

Hon. W. A. LANDERYOU — I ask you, Sir, to ask him to withdraw.

Hon. M. A. Birrell — It wasn't a ruling; it was guidance!

The PRESIDENT — Order! It was a statement of precedents that exist under *May*.

I think Mr Birrell has taken my warning, but if the matter is pressed I will ask him to withdraw the word "whitewash".

Hon. M. A. BIRRELL (East Yarra) — On the point of order, Mr President, I did not say it was a whitewash. I chose my words very carefully. I said

that the report of the Privileges Committee has been described as a whitewash — and this morning's newspapers record that. Mr Landeryou has a deficient memory.

If I may continue: we choose our words well. We are not into the rambling and misleading statements that have been the cause of the problem for Mr Spyker because he has had to cover up the truth. The action we have taken —

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — On a point of order, Mr President, I take exception to Mr Birrell's reflection on Mr Spyker.

The PRESIDENT — Order! That clearly was a reflection on Mr Spyker and, therefore, I ask the honourable member to withdraw.

Hon. M. A. BIRRELL (East Yarra) — I withdraw.

Hon. D. R. White — Here is an example of your choosing your words carefully!

Hon. M. A. BIRRELL — The inquiry to be set up today is clearly designed to do that very thing — to hear the evidence the government does not want to be heard. That is what we seek.

I make it clear from the beginning: the major importance of this committee will not be its report. Because it is a partisan committee, because the committee is being forced on the government and because the committee is necessarily being created in an environment that causes the conflict already evident in this debate, we will not be focusing on the conclusions of a politically appointed committee. We will be focusing on the evidence that people under oath give to the committee. That is its importance.

Unlike Joan Kirner the public wants to hear the truth and wants to know the truth now. Unlike Joan Kirner the Upper House is prepared to ensure that we hear the witnesses and hear the truth.

Let anyone who denies the importance of this Upper House committee say why the evidence should not be heard — evidence that was not heard before the Privileges Committee because that committee voted not to take evidence from other witnesses.

The Upper House committee will be able to call witnesses who will be under oath and be able to tell the truth. The committee will hear it; the media will

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hear it; and, therefore, the public will hear the truth for the first time.

We will expose the golden handshakes and the secret payments to Labor's mates, particularly to those individuals who have seen the writing on the wall, who know the Kirner government is in its dying days and are trying to sign themselves up for permanency in the Public Service so that when they lose their jobs at the election they will get massive payouts. These people are looking for the gravy train and are ready to hook up to it, but we will decouple them!

Every action we take is to defend the public interest and to ensure that no more taxpayers' money is wasted on the mates of Ministers.

The need for the Upper House inquiry covers a whole range of issues that will become clear: firstly, the abuse of the Westminster principles and standards by the Premier and her Ministers; secondly, blatant politicisation of the Public Service; thirdly, the abuse of the government's own guidelines on the employment of staff; fourthly, the abuse of Parliament; fifthly, the misuse of taxpayers' funds; sixthly, the possibility of gross misconduct and illegality with these payments; and, finally, the complete lack of Ministerial responsibility on these issues from the Premier down.

Our concern is to ensure that over December, January, February and beyond, if necessary, we will drag out the truth.

The committee's aim will be to hear the evidence that the Premier has tried to suppress. We will hear the facts that the Minister for Transport has not provided publicly and ensure that Parliament is not misled, because that assurance cannot be provided elsewhere.

Labor's friends are becoming rich at the taxpayers' expense. Over the past few months cases of mates receiving payouts have arisen again and again. One has only to look at the payments made to Ms Ann Morrow and Mr Jeffrey Gordon as proof of that fact. It is beyond belief that those payments were proper or justifiable.

It is quite clear that those payments, and payments like those made to Trish Jones, were geared to the political advantage of the government, not to the public interest and not to the needs of genuine public servants. They were geared to ensure

minimum political pain for the Australian Labor Party.

The people's money is being used at a time when they are told there is a shortage of public funds. The trough has been deep when it comes to buying silence or giving gratuitous payouts to people who have Labor Party pedigrees; and their pedigrees are among the issues for concern when one examines the propriety of the payments.

The government's secret payments have been illegal, improper or simply irresponsible. The evidence to be heard by the committee, which will cover payments made to Ms Ann Morrow and Mr Jeffrey Gordon as well as other payments, will show that the government is culpable to the highest degree.

Of course the issue does not go just to individual Ministers such as the redoubtable Mr Peter Spyker, the Minister for Transport; the issue goes to the Kirner government's entire credibility, and to the propriety of Cabinet Ministers.

It goes to the heart of whether the government is anything more than an arrogant pretender, whether it actually cares about the concept of Ministerial responsibility and accountability to Parliament, and whether it cares about the notion of an independent public service. Quite clearly it is trying to politicise the Public Service and use public funds in a grossly improper manner for its mates.

Let us examine the Gordon case as one simple example.

Mr Gordon was appointed to the staff of the Minister for Transport, notionally working for the Public Transport Corporation. He did not have to introduce himself to the Minister when he started the job because he is an old friend of Peter Spyker's. He was so familiar and on such good terms that he actually drew up his own contract of employment.

There were no obstacles for Mr Gordon and none of the usual rules, conditions and requirements associated with the standard senior executive service (SES) contract; there were no hurdles for him to jump over and he did not go through the normal procedures for a potential SES employee.

To the contrary, Peter Spyker's mate drew up his own contract of employment so that he received the maximum money in his pocket for the minimum amount of work.

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So familiar was this relationship that Mr Gordon did not actually have to sign the contract until after he had left the job. The position was vacant, then the contract was signed so that he could receive the great payout.

So secure in his destiny was Mr Gordon that he did not have to serve the five years of the contract that he signed. He did not have to serve four years or three years or two years of the five-year contract; he served about eighteen months and got a full payout, thank you very much Victorian taxpayer!

When I go to heaven I want to return as one of Labor's Ministerial advisers because of the rich rewards! One would not do any work; one would write one's own contract and sign the contract after leaving the job and then receive a payout when one had not worked for even 5, 4, 3 or 2 years. This would have to be heaven again!

One has only to look at the rewards. Mr Gordon received \$94 000. One of the conditions of the contract was that when he was no longer in the job he could not be appointed to another job. It was perfect.

If I were looking at the most convenient contract to draw up, any person who was into white-collar crookery would draw up the type of contract Mr Gordon drew up, to which the Minister for Transport agreed. It is the act of a white-collar crook because Mr Gordon ripped off funds from the Victorian taxpayer. Victorian taxpayers are fed up with the misuse of their money.

When did the Premier hear about this? While walking down the main street of Noosa!

Hon. G. H. Cox — By chance!

Hon. M. A. BIRRELL — Yes, by "chance". She just happened to bump into Mr Gordon and asked the question. There was a debate about the matter. I thought the great unanswered question was: how did she know who he was? Did she like his board shorts or was it his T-shirt? What was it?

Hon. Rosemary Varty — "Gordon the Great" on the front of his T-shirt.

Hon. M. A. BIRRELL — Ms Kirner knew Mr Gordon just as well as Mr Spyker did. Mr Gordon was the improper recipient of taxpayers' money and was a mate of the Premier as much as he was a mate of the Minister for Transport.

Hon. R. I. Knowles — The Jeff-and-Joan arrangement!

Hon. M. A. BIRRELL — A very happy team. When the Premier bumped into Mr Gordon at Noosa she asked the question she had not asked for the past three months. Out of the blue just before going to the beach she asked Mr Gordon, "Did you or did you not have a signed contract? I just thought I would ask".

The Premier had not asked the Minister for Transport, nor had she asked her loyal Ministerial staff to ask Mr Gordon if he had a signed contract, even though the matter was debated in editorials in the newspapers and on television each night. The Premier said, "It never crossed my mind. I spontaneously asked Mr Gordon when I bumped into him at Noosa if there was a signed contract and all of a sudden I found out there might have been a signed contract".

It was not the contract that was signed, but there was a signature on the copy of the contract, despite the fact that the Minister for Transport told the other place there was no signed contract and then apologised for misleading Parliament because there was a signed contract. The matter was sent to the Privileges Committee on that issue.

Peter Spyker is small beer; it is Joan Kirner whose reputation is clearly on the line. The committee will prove once again that it was not just Labor's mates who received money; Joan Kirner's mates received the money because they were friends of the Labor Party — not because the public interest demanded that they receive any money.

The Gordon case is the low-water mark for the Kirner government. It proves something that none of us thought was possible: the Kirner government has an even lower standard than the Cain government had. It has lower standards of Ministerial responsibility, lower standards of scrutiny of public funds and a greater willingness to pay off its mates.

I shall focus specifically on the Gordon case, in which \$94 000 went to Mr Gordon after about eighteen months work, and compare it with what normal Public Transport Corporation employees are getting under the government's redundancy scheme to see if there is any proportionality, as the lawyers would call it.

The total average payout for ordinary employees of the PTC, without annual leave entitlements, will be

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around \$40 000 under the redundancy scheme. The highest payout in the corporation so far has been \$180 000 to an employee with 36 years experience. The lowest payout was \$11 000 to an employee who had worked for two years.

Under the government's own redundancy scheme the biggest payout so far is \$180 000 to someone who worked for 36 years, and one must say that that seems legitimate for that type of service. The lowest payout was \$11 000 for an employee who worked for two years, and one must say that that looks on point as well.

However Mr Gordon worked there for only eighteen months and received \$94 000. Proportionality or special treatment? It is mates' rates for the Labor Party. It has almost become the rule now: "When it comes to our people, give them the special deal".

But we should remember the Trish Jones issue, because there is another rule: "Keep it secret; do not tell Parliament; do not tell the Press Gallery; do not report it to caucus; do not even report it to the committee. Keep it secret because we know it is crook and because we know that these types of payments lead to Ministers losing their jobs".

Mark my words, this exercise will lead to Ministers eventually losing their jobs.

I shall go through the seven reasons for the need for a committee. It should be on the record that it is not planned that any of the speakers from this side of the House will be appointed to the committee we are seeking to have set up. Therefore those who will be speaking will outline what they believe are the issues the committee should consider.

The first issue is the abuse of Westminster standards. In simple terms, Kirner's Ministers are not taking responsibility for their actions and that means that public servants are being compromised. Public servants are being heavily politicised, despite the fact that the vast bulk of them are decent people with real careers who are trying to provide fearless, independent and useful advice to government. Instead of accepting the normal standards of the Westminster system that we know well, this government has turned them on their heads.

The second issue is the blatant politicisation of the Public Service with permanent jobs being given to former Ministerial advisers without advertisement and without notification. They are given to them simply so that they get a good payout when the

Kirner government goes down the drain early next year.

The third issue is the abuse of the government's own guidelines for the appointment of employees. Contract staff have been employed without Ministerial approval or without the appearance of Ministerial approval; temporary staff have been employed without regard to the Public Service merit principle; and large numbers of Ministerial staff have been employed in already bloated Ministerial offices, despite the alleged budgetary constraints.

The role played by Ministerial advisers has been unexplained, and I cite as an example the role of Candy Broad in relation to the employment of Trish Jones. I also refer to the approval of staff promotions without proper assessment, presumably because the promotions were simply to reward individuals rather than to use them for more senior jobs. Several departments have paid out autonomous public servants for their work — a doctored arrangement to benefit the government alone. Misleading information has been provided to obtain benefits for mates, like Ann Morrow's superannuation payment.

The fourth issue is the abuse of Parliament, as much an issue about the waste of public funds as about a cover-up, the classic reason for public speculation. If the government had come clean about the payouts from the start, it would not have been let off lightly but it would have done a lot better. If there had been an honest attempt to clear the air there would have been less suspicion about the government's motives.

Ministers have failed to answer key questions put to them. One Minister has already had to apologise for misleading Parliament over the information he eventually provided.

Insufficient and often misleading material has been released by Ministries and departments. Ministers who know that the executive should be accountable to both Houses treat Parliament as irrelevant.

The fifth issue is the misuse of taxpayers' funds. I refer to the generosity — or is it sheer stupidity — and the open-ended nature of the termination clauses in contracts such as that of Mr Gordon.

Hon. R. M. Hallam — He wrote his own, that's why it was so good.

Hon. M. A. BIRRELL — Yes; there was absolutely no concern for the end cost to the taxpayer. It was a case of, "Write your own contract"

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and he received a \$95 000 payout after eighteen months work.

The bottom line was not protecting the interests of the public or the integrity of the Budget but simply letting the money go. The committee will investigate the generous payouts that have been made.

The sixth issue is the possibility of gross misconduct and illegality. Mr Gordon was paid \$95 000 without any proof that the contract on which that payment was made was not fraudulent. It certainly has the air of a fraudulent document. The opposition seeks information to establish the full facts surrounding the creation of the contract, its signing or alleged signing, and why any payment at all was made.

The seventh and final area, apart from other areas of inquiry the committee may determine for itself, will involve the committee's examining the complete lack of Ministerial responsibility associated with the employment of individuals by the government; the failure of the Premier to provide any information in the public domain about the contracts; the failure of Mr Spyker to provide the full truth about payments in the Public Transport Corporation; and the silence that surrounds the real reasons for the payout to Ms Morrow from the Ministry of Education and Training.

I believe several other classic examples will be uncovered by the committee in the course of its work.

I shall read into the record some specific questions about the Gordon affair that the coalition wants answered. By listing them I hope the members of the committee will ask the questions, because I believe Mr Gordon, Mr Stoney, the Chief Executive of the Public Transport Corporation, Mr Spyker, the Minister for Transport, and Ms Kirner, the Premier, should answer them:

Why did the Public Transport Corporation enter into a five-year contract for a position that was found to be unnecessary only fifteen months later?

Why did the job description not include a provision included in most senior executive service contracts allowing the employer to specify additional or alternative duties?

Why was the contract not signed? Or if it was signed, when was it signed?

Why did the contract provide for Mr Stoney's signature when he was not at the Public Transport Corporation when Mr Gordon was employed, which therefore raises the question of when the contract was drawn up?

Is the contract a standard contract, as described publicly by Mr Spyker? If so, why is the standard Public Transport Corporation contract written in such a way that no change to an employee's duties can take place in the way described in Mr Gordon's contract?

How many of the contracts exist, and how many termination payments have been made not only within the Public Transport Corporation but also by the Kirner government at large?

Was the contract with Mr Gordon illegally backdated?

The coalition wants to know not only when it was drafted and when it was dated but whether the date had anything to do with when the contract was actually signed.

The answers to those questions will be of riveting importance to those who wish to pursue the misuse of public funds and the issue of Ministerial responsibility.

I expect that government members in this House, unenthusiastic as they are for the task, will oppose the motion on two grounds. Firstly they will argue that there have already been enough inquiries — after all, the Premier has looked into the matter, so what more do you need? — and secondly they will argue that the Upper House committee will be just another kangaroo court.

I shall deal in advance with those utterly predictable arguments, the first of which is that there have already been enough inquiries, that the government has already got to the bottom of the matter and cleared the air, and that the inquiries have been full and frank and have produced all the information we need!

Only a limited number of bureaucrats have been cross-examined during the secret inquiries conducted by the government, in accordance with the narrow terms of reference designed to clear the government of any guilt.

Those inquiries have amounted to a pathetic whitewash, which is why an Upper House

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investigation is needed. We need to know what has gone on, where Ministers have failed to implement proper guidelines and where they have failed to ensure that any circumvention of those guidelines is exposed.

The coalition wants to know what directions were given by Ministers to bureaucrats about such contracts. We do not need another secret Kirner government review; we do not need yet another attempt to cover up the truth.

The coalition seeks only one thing: to hear the evidence of witnesses under oath, in public. Although the report of the committee will be important, it will not be pivotal.

The most important issue is that the establishment of the Upper House committee will provide a venue and platform for witnesses to be heard. Rather than having another secret government review the coalition seeks a public review by Parliament.

We believe we have been very tolerant in allowing internal government inquiries and the Lower House Privileges Committee inquiry to conclude before taking action in the Upper House. We did not seek to predict or undermine in advance the outcome of the Lower House inquiry. The coalition did not pre-empt its conclusions, but waited. The Privileges Committee reported yesterday and a majority vote of the Labor Party members of that committee cleared the Minister for Transport.

The coalition did not seek even to pre-empt the secret inquiries ordered by the Premier after the media got on to this story. It waited for those inquiries to be finalised, and of course they cleared the Premier and the Minister for Transport.

The public's tolerance and the coalition's tolerance of the cover-up has been well and truly exhausted, and that is why the coalition acts today.

Of course the Labor Party will pretend that this is a kangaroo court — a public airing of witnesses under oath where members of the Labor Party can also ask questions freely under the rules established in the past! The coalition is happy to receive that criticism and to dismiss it with the contempt it deserves.

The House has the power to establish an Upper House committee of inquiry. The House was asked to establish dozens of similar committees of inquiry when the Labor Party was in opposition. It would be an act of gross hypocrisy for the Labor Party to say

that the establishment of a committee of inquiry is wrong, improper, beyond the powers of the House or a misuse of the powers of the House. By its own actions in the past it has shown that it has wanted such inquiries to be established. The coalition will do so today.

I conclude by referring to the issue of Ministerial responsibility. The quotes to which I shall refer do not reflect my views on Ministerial responsibility; they are the views of the Kirner and Cain governments. I do not regard the quotes as being perfect, but they are an important way of measuring whether the Kirner government lives up to its own rhetoric on Ministerial responsibility or lives up even to the rhetoric of the Cain government.

On 19 January 1989 during a radio interview with Michael Schildberger on ABC radio, 3LO, the Honourable Joan Kirner, then Deputy Premier, said:

I am a very strong supporter of Ministerial responsibility ... it is an issue that I feel strongly about but I don't comment on other Ministers' responsibilities. That is their business, not mine.

The then Deputy Premier took the high moral ground but she flicked the issue: "I am a strong supporter of Ministerial responsibility ... I don't comment on other Ministers' responsibilities. That is their business, not mine".

Let us be fair; that could have been because the Honourable Joan Kirner was only Deputy Premier and it would have been improper for her to comment on other Ministers' responsibilities.

Hon. R. I. Knowles — She still adopts that stance.

Hon. M. A. BIRRELL — The Premier is still adopting that stance today. It does not get her off the hook.

On 20 April 1990 the Minister for Transport, the Honourable Peter Spyker, said:

As Minister I take full responsibility. I don't walk away from that. It's important for my own integrity.

Let us measure those two quotes against reality. The Premier has not insisted on the principles of Ministerial responsibility, otherwise she would have sacked the Minister for Transport; and, more importantly, she has not insisted on imposing her own standards of Ministerial responsibility because she knows it would cripple her Cabinet.

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However the government has gone further. The Premier said in answer to a question without notice, as reported in *Hansard* of 20 March 1991:

In my view Ministers take responsibility for their portfolios. Ministers are not always able to know everything that departmental officers do, but I believe if there is any difficulty with departmental officers two issues arise: the first is the principle of accountability to the community; the second concerns loyalty to officers, which means Ministers owe them careful investigation of the circumstances, but where there is need for action, they act.

Under her rules the Premier puts the ball squarely at the feet of the Minister. All the evidence so far — those little facts that have come out — indicates that the Minister will not accept responsibility for his actions and the Premier will not use her own guidelines and ensure that he does.

There seems to be a simple conclusion: there is a need for a full public airing of the reasons for the payouts to a number of employees or people on contracts.

I was moved by an editorial in the *Australian* of 25 October, which sums up the views of many members of the public:

It has the hallmarks of the Cain-Kirner years: incompetence; contempt for Ministerial responsibility; contempt for Parliament; and politicisation of the Public Service. In short, the arrogance of an administration that came to think of itself as the unassailable establishment.

The editorial is correct. The establishment — the people who are so arrogant that they will not accept Ministerial responsibility or accountability to Parliament — will be called to account when the committee is established and hears the evidence under oath.

Hon. W. R. BAXTER (North Eastern) — I support the motion but I am very sad indeed that the House has to take this action. The reason was well outlined in Mr Birrell's excellent contribution. He has put on the record for all to see why it is necessary for the Legislative Council to establish the committee: to get to the truth. There is absolutely no doubt that there has been a massive cover-up of the employment conditions of quite a few of the government's officers.

It has come about in a variety of ways and, although I do not intend to reflect on the Privileges Committee of another place, I should think there has been a lack of proper inquiry. Certainly the refusal of the Minister and the Premier to openly and honestly respond to questions asked in another place by a range of members is clear evidence of a cover-up.

Day after day in the Parliament and in the media there has been obfuscation, particularly by the Minister for Transport, and attempts to lay false trails, to confuse the public and to deny that Ministerial responsibility applied to him, despite holding himself up as one of its proponents. He was certainly found wanting when he was put to the test.

The Minister for Transport made the glib comment that because there are 20 000 employees in the Public Transport Corporation he could not be expected to know the employment arrangements for them all — a smart line to confuse the ill-informed and those in the community who do not know the facts. Clearly most of the employees of the PTC are employed under the Public Service Act on terms and conditions which are in the public arena and which are standard and well known. If they are not known they can easily be ascertained upon simple inquiry.

The crux of the matter involves the people who are not so employed, and there is no doubt that since they have been in office the Cain and Kirner governments have made an art form of employing mates and fixing them up very nicely indeed at the taxpayers' expense.

We have seen an explosion of the personal staff of Ministers, a great army of people who now seem to inhabit this place and departmental offices around the city. That is unlike previous arrangements of earlier governments where Ministers had small complements of personal staff who were not directly involved in running the departments but assisted the Minister in arrangements and with Parliamentary liaison.

We now have this system, which was totally unknown when I first came to this place, of an army of politically appointed personal staff in each Ministerial office providing a barrier and a hurdle between the Minister and his permanent head and interfering and running agendas that are not necessarily in the public interest, and they are being paid handsomely for so doing. And clearly, as the evidence emerges, when they leave they will go with very handsome payouts.

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Hon. R. M. Hallam — Golden parachutes.

Hon. W. R. BAXTER — Yes, golden parachutes have been referred to. The proposed Select Committee will need to ascertain what sorts of contracts these people are on and how many of them exist. Are there hundreds? Are there thousands? What sorts of exit clauses do they have? How many people have the golden parachute clause in their contracts?

Is it customary for these people to write their own contracts, or was Mr Gordon unique in that respect? I suspect that he was not and that in fact numerous other people have had the ability to write or rewrite their contracts. As things went along and circumstances changed and they wanted out, it seems they had every opportunity to put in place provisions that made it very attractive for them to leave the service.

How many of these contracts are signed; and if they are not signed, why are they not signed? We have seen this extraordinary example of Mr Gordon's contract. Mr Birrell has already gone through the chronology of it. All sorts of questions remain to be answered in that regard. They could easily have been answered by the Minister for Transport, Mr Spyker, if he had made it his business to come clean. They could easily have been answered by the Privileges Committee in another place, but were not. They could easily have been answered by the Premier, if she had made due inquiry before that fortuitous meeting with Mr Gordon at Noosa. But none of that occurred, which leads the public to be very suspicious indeed.

The proposed Upper House Select Committee needs to ascertain how many Ministerial staff are now being permitted to transfer to the permanent Public Service so that they may take advantage of the enhanced resignation packages as they see the possibility of their jobs disappearing in the very near future because they would not feel able to work with a new government.

The public demand this information, and they have every right to have it. The public of Victoria have suffered a fair bit under this government. They have been disappointed, angered and frustrated by the lost opportunities and by the huge debt burden that this government has built up. But in some respects people have shrugged their shoulders on some of that and put it down to mismanagement, even incompetence, and in some senses have been prepared to let it go.

However one thing that the public will not stand for is a belief that people have their snouts in the trough and that friends of the government are being fixed up at the taxpayers' expense. I have found a couple of simple examples as I have moved around the State of what really causes a reaction among people. What do they remember most about the former Federal Treasurer, Mr Keating? It is not the fact that he was the architect of this recession. They remember most that he did not lodge his tax return and that he claimed a travelling allowance while in Canberra, despite the fact that he lived there. That is what the public remember.

Honourable members interjecting.

Hon. W. R. BAXTER — What do the public think about what is happening here, where people are on quite obscene salaries? The 10 and 11 per cent who are unemployed in this State see many of these personal staff members, these Ministerial appointees, as being on obscene salaries. Yet they are able to get Tattsлото-like payouts when they leave, and often when they leave after very short periods indeed in the service. That is what the public react to.

Hon. D. R. White — I will race past you to the trough, Smithy!

The PRESIDENT — Order! I have cautioned the Leader of the Government on several occasions, and I ask him now to desist.

Hon. W. R. BAXTER — Members of the public have read in newspapers about the massive payouts to Mr Gordon and Ms Morrow and they want to know how it can happen. Despite the fact that these issues have dominated question time in the other place day after day and week after week for the entire sessional period the truth is yet to be discovered, and that is why the committee is so necessary. The truth must be discovered so that the government can be made accountable to the taxpayers of this State.

Mr Birrell and I do not believe the problem stops with those two people. I am awaiting a response from the Port of Melbourne Authority to a freedom of information request concerning a person who is friendly with the Premier. That person was suddenly elevated from a low position to an SES position and supplied with a car. Why was the position not advertised and how did that person happen to get it? That is another case the committee

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may pursue, and at its invitation I shall supply it with the information I have.

The Labor Party has a notorious track record in fixing up its friends — it has been doing it for years. As I thought about the motion I was reminded of the 1976 board of inquiry into the finances of the City of Sunshine.

Hon. M. A. Birrell — Same mob!

Hon. W. R. BAXTER — That is right; they were not in government then so they could not rot the taxpayers of Victoria, but they certainly rotted the ratepayers of numerous municipalities. In five years they turned around the finances of the City of Sunshine from a modest surplus to a staggering deficit, which resulted in an inquiry being established. In due course a report comprising 412 pages was produced.

The report is an exposé of a litany of rorts and rackets and of friends being paid off. I shall give the House two examples of the sort of thing the Labor Party does and how it served its apprenticeship. The examples look pretty minor now compared with what the Labor Party has done since it has been in government, but it was setting the scene in those days.

I refer to a public hall in the municipality of Sunshine. Soon after a particular gentleman was elected to represent the municipality arrangements for the hiring of the hall were radically changed. A committee of management consisting of thirteen persons, each of whom was an executive officer of the Braybrook branch of the Labor Party, was established to administer the hall.

Those who were nominated included —

Honourable members interjecting.

Hon. W. R. BAXTER — Obviously the truth hurts. Government members do not like to be reminded of some of the reports and rackets they were responsible for. Those nominated included Cr Mill, his wife and Cr Tighe. Other members of the committee included: J. Costello, president of the branch in 1975 and junior vice-president of the State Labor Party in 1976; G. B. Hobbs; and D. J. Evans, a former Sunshine councillor and mayor and the senior vice-president of the branch in 1975.

In due course they renamed the hall the D. J. Evans Hall in honour of that particular man. Worse still,

they elected Cr Mill as chairman of the hall committee and Mr Hobbs as secretary. They did not elect a treasurer but decided that all charges deriving from the hire of the hall would be collected by a council officer and paid to Cr Mill or Mr Hobbs. A motion that Mr Hobbs should personally handle the money was adopted. Charges were progressively increased from \$25 to \$40 per night. The hall was in fairly constant demand for meetings, wedding receptions and so forth but there was a permanent booking for the ALP every Thursday night, irrespective of whether it was used, for which there was no payment. Mr Evans was clearly a little short of cash because on 22 May 1975 the hall committee resolved that Mr D. J. Evans should receive what was described as an allowance for keeping the crockery.

Hon. W. A. LANDERYOU (Doutta Galla) — On a point of order, I do not usually object to the line that Mr Baxter is pushing but I believe the House should not continue to be bored witless by matters that are irrelevant to the motion.

Hon. M. A. BIRRELL (East Yarra) — On the point of order, Mr Baxter is clearly indicating a case that involved impropriety and misuse of funds by a group of people who were concerned only about their mates.

That was the heart of the whole inquiry. It was about mateship that led to a misuse of public funds. In this case they were local government funds, although the people involved were of the same political party as the government.

It is an illustration of the case Mr Baxter is clearly developing and it is important for him to do so. Apart from that, we are enjoying it.

The PRESIDENT — Order! A fair degree of latitude is normally given to debate on motions, but having read the motion I consider the example given by Mr Baxter has only a tenuous link with the terms of the motion. I ask Mr Baxter to round off that particular point as quickly as possible. I indicate that the government will of course be given exactly the same latitude as Mr Baxter has been given.

Hon. W. R. BAXTER — I note your guidance, Mr President. Without wanting to trammel your advice, I thought that what I have been attempting to do is to set the scene. There is nothing new in what the opposition alleges is going on. Labor Party members are past masters at fixing up their mates with total disregard for the people they claim to

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represent — Mr and Mrs Average, who pay rates in the case of the City of Sunshine or taxes in the case of the State of Victoria.

I shall not proceed with a detailed exposé, as much as Mr Knowles and Mr Birrell might have been enjoying it. This report makes useful reading. There is another graphic example given of the appointment of a gardener.

It is clear that the person was so appointed simply because he was a mate and not because of his qualifications. In that case people with appropriate qualifications were overlooked but a person with no qualifications in that trade was appointed.

There is nothing new in what the government is doing. Its track record is notorious but now it happens to be more serious because instead of incidents being in the petty cash league — that is, in the hundreds of dollars category — now we are in the thousands of dollars or even hundreds of thousands of dollars arena.

All this has been done at a time when the State Treasury is bankrupt — not that it would have excused the government had the Treasury been in surplus; I do not suggest that for one moment. All this has occurred at a time of deep recession, with a State staggering under huge burdens and under an incompetent government that has demonstrated mismanagement, wrongdoing, lack of Ministerial responsibility and a preparedness to throw out established conventions and ignore and resist accountability.

All this has happened despite the high-handed comments the Premier has made — she never misses an opportunity of making comments to the media. Yet, when the chips are down the government cheats, lies and cooks the books.

The committee will expose such activities. It will be able to work diligently over the Christmas break and come the autumn session next year many Ministers in this House will not be able to lift their heads high because of the actions of their staff. The people for whom they have a direct responsibility will have been shown to be employees who have taken the opportunity of ripping off the system; it will be demonstrated that they have taken large cash payments and have disappeared into other jobs because they have seen what will happen at the next election.

Others will be exposed as having been given positions in government service way beyond their capacities or qualifications. They are not providing good and fair value for the taxpayers' dollars and for Victorians.

I do not envy the task of the members of the committee. It will not be an easy job because presumably the government will put every hurdle in the way of the committee. There is no doubt that it has put every hurdle in the way of every other inquiry that has attempted to make it accountable. I expect nothing new this time.

I have every confidence in those being appointed to the committee from this side; they will do the job properly. I hope the government appoints members who take it upon themselves to participate in the committee in a proper manner, and that they do not see it as their task to obstruct, to frustrate and to put hurdles in the way of the endeavours of the committee. Such action will not achieve anything but will simply prolong the agony and will repeatedly demonstrate to Victorians that the government has something to hide.

Hon. R. S. IVES (Eumemmerring) — Mr President, this motion is offensive to the House. It debases Parliament and is subversive to the standing of this Chamber. In reply to Mr Birrell, it is not simply that there have been enough inquiries — which there have been; it is not simply that it will be a kangaroo court — which it will be; but in addition this motion proposes to establish a monstrous fishing expedition.

The motion is further proof of an opposition racked by indecision, one which is poorly led and lacking vision and policy and attempts to react to events in an opportunistic way.

Hon. Rosemary Varty — Mr Nunawading! You ought to talk!

Hon. R. S. IVES — I find those comments from Mrs Varty to be particularly offensive in view of the results of the committee of inquiry.

The PRESIDENT — Order! When a member finds something said offensive, I have two duties. The first is to examine whether, objectively, the comment was offensive; and if so my duty then is to ask for a withdrawal.

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Such a comment was clearly capable of giving offence to Mr Ives. His offence is patently genuine and I therefore ask Mrs Varty to withdraw.

Hon. ROSEMARY VARTY (Nunawading) — I withdraw, Mr President.

Hon. R. S. IVES (Eumemmerring) — The terms of reference and the issues the opposition wants investigated by the proposed committee have been canvassed in both Houses. They have been before the Privileges Committee in the Legislative Assembly and they are presumably the subject of freedom of information requests and leaks from the bureaucracy. They have been extensively reported and commented upon in the daily press.

All of these processes have just about run their course with no proof forthcoming of the major accusations and claims of the opposition. The proper forums have just about been exhausted.

The Minister for Transport has spent hours and hours answering questions and giving testimony. His replies are on the public record. Does the opposition believe it is in any way reasonable to drag him before yet another tribunal — a committee set up by another House and on which he is not obliged to attend? It is a grotesque and ridiculous suggestion.

No properly constituted court in this land allows an appellant to engage in an intensive fishing expedition on the off-chance that something may turn up, and from Mr Baxter's speech we can see how wide the fishing expedition will be, with its vague and broad terms of reference. That is what the opposition is inviting us to vote for.

Of course the government will not vote for it. It is a desperate ruse, a transparent ploy, a miserable second-rate tactic, a time-absorbing diversion, a charade and a stunt, which through the brutal and ruthless use of numbers attempts to engage in an improper use of this House.

Under the guise of a Privileges Committee it assaults the proper nature and purpose of this forum and it is therefore to be objected to at every stage of the proceedings.

I reject the cant and the pompous, sanctimonious and carefully worded statements of the opposition by which it attempts to cloak this blatant abuse of the House with some shreds of legitimacy.

I warn the opposition that the action will boomerang and hurt it much more than it will hurt the government, because in the minds of the public the matter is beginning to assume the proportions of a vindictive, mindless, never-ending witch-hunt against a popular and effective Minister and a former Chief Executive of the Ministry of Education and Training. The government rejects the motion.

Hon. R. I. KNOWLES (Ballarat) — I follow the remarks made by the pompous, preened, puffed up, popinjay, Mr Ives. The speech we have just heard from him is diametrically at odds with what his Premier is saying on the radio today, which is that the government has no difficulty with an Upper House committee investigation. There is obviously a breakdown in communications between what the Premier is saying publicly and what the government is saying in this House.

Mr Ives has the audacity to say that opposition division is prompting the motion. All I can say to him is that there is clear division on the government benches as to how to respond to this proposal.

What Mr Ives said is correct in one regard: endless hours have been spent in questioning and in seeking information. With that we agree. The difficulty is that we have had no answers. We are still no closer to the truth than we were when we started pursuing the issue back in September. All we have had is avoidance by the Minister for Transport and the Premier in the provision of information.

I suspect the committee will not be interested if Mr Spyker does not turn up. What will be of interest to the public will be when senior public servants turn up to the committee and give evidence because, despite all the inquiries, we have had no answers or information provided by senior public servants because they have never been allowed to give that information. On every occasion the opposition has sought to obtain information from those in the Public Service who may be able to provide information, the government has gone to extraordinary lengths to ensure that that information is not given.

The simple proposition that justifies establishing this committee is that the Minister for Transport has made an admission that he requested Mr Gordon to be placed on his staff. He had a full complement of staff and he gave a direction to the Public Transport Corporation to employ Mr Gordon and to place him in the Minister's office. To all intents and purposes Mr Gordon was a Ministerial adviser.

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I question the basis on which any Ministerial adviser should be given a five-year contract. Not only is there a possibility — and we would argue a guarantee — of a change of government but also there is no guarantee that Mr Spyker would be the Minister for Transport for a five-year period even if the existing government survived the next election.

However, Mr Gordon was given a five-year contract and the public objects strongly to that appalling public administration. Mr Gordon was employed because the Minister wanted him as a Ministerial adviser, not because of any expertise he could offer the Public Transport Corporation. He did not apply for an advertised position; he was employed because the corporation was directed to employ him.

It was the Minister who dispensed with his services, not the Public Transport Corporation. The Minister wrote and said that he no longer needed that Ministerial adviser, therefore the contract was to be paid out. How many more contracts are in existence? The guarantee is that this Laborlotto will continue to operate well beyond the next election.

By that I do not mean the manner in which public servants are employed, whether they join the permanent service or are employed on a contract basis. In fact it makes good public administration sense to use contract staff for specific tasks, but we should be sure that there are clear guidelines for the establishment of those contracts to avoid bringing the issue of public employment into disrepute.

That is why in times past the Public Service Board was established to develop a service that would provide clear professional and unbiased advice to the government of the day and to contract staff. However, contract staff must be employed on a basis that is open, fair and clearly understood by them, by the Public Service and by the public.

The government has given no undertaking that it will head down that path. It has done nothing but avoid the issue, as has the Minister for Transport.

Rather than address the subject Mr Ives appeared to be at odds with what his Premier said on the radio today. The Premier, who I presume still speaks on behalf of the government, said today that she had no difficulty with the Upper House establishing a committee to examine the matter.

As Mr Birrell has said, the evidence given to the committee may shed some light on this appalling saga. Apart from that, I hope the inquiry will enable

us to establish guidelines for the drafting of contracts for the employment of public servants by the government of the day.

Both this government and previous governments have entered into contracts for the purpose of attracting people with expertise to carry out specific tasks. After the next election a coalition government will continue to use that method of employment to attract the best people to the Public Service. There is nothing wrong with the concept, but there is something wrong with the government entering into contracts with Ministerial staff and guaranteeing them huge payouts under what is now known in the community as Laborlotto. No wonder so many Labor mates are anxious to board the gravy train!

Any mate of the Labor Party who has entered into a five-year contract over the past twelve months is guaranteed a huge payout because there will be no room for such people in a coalition administration. We will be intent on attracting people of quality and expertise rather than simply looking after our mates.

I commend Mr Birrell for his initiative in moving for the establishment of the committee, which I hope will enable us to extract vital information. The committee will provide an opportunity for senior public servants who know what has been going on to give evidence on the record under oath, and to be cross-examined. The committee will enable us to get to the bottom of this sorry saga and establish guidelines to prevent its recurrence.

We do not know how many other Labor mates have been given specific contracts. It is of grave concern to the community that at a time when local members are having to deal with organisations whose funds have been drastically cut because the Victorian economy is in such dire straits people are reading about Labor's golden handshakes on a scale beyond the pale.

For example, of her own volition Ms Ann Morrow broke her contract with the Ministry of Education and Training yet still received a substantial payout. That sort of occurrence creates community unrest and mistrust.

I understand that although the Economic and Budget Review Committee has sought information from each Minister, including Mr Spyker, about the number of such contracts that have been entered into, the committee is yet to receive any replies. That is another reason why the Upper House committee must be established.

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I commend the motion to the House, because I believe the committee will extract information that is vital to the public interest.

Hon. R. A. MACKENZIE (Geelong) — The debating of the motion shows the sad state of affairs we have reached. All this could have been avoided and we could have been devoting our time to debating issues that are of far more concern to the people we represent.

I have a strong feeling about Ministerial responsibility. I understand the government's position and I understand what the opposition is saying. I am not saying I do not understand why it is following this course today.

If the matter had been handled differently, honourable members would be in a better position today and Parliament would be held in higher regard than it is at present. My understanding of Ministerial responsibility is that if there is an indication of something untoward and the Minister misleads the House — regardless of whether it was inadvertent — he should immediately resign. Mr Spyker should have resigned. He admitted that he misled the House. He said it was a slip of the tongue, but he should have resigned at once.

If he had done so the opposition would not have been able to do anything. What could it do? The Minister would leave with honour, he would uphold the Westminster system and he would indicate his respect for the Parliament, while the people would respect him as a person who accepted responsibility. If the government had held an inquiry and consequently discovered there was no need for him to have resigned, he could have been reinstated. The important thing is that he should have accepted the responsibility at once.

If we want an example we have only to look at Mr Landeryou. He inadvertently misled the House and stood down. By standing down he left the opposition with no other course but to accept it. When a Minister does not accept responsibility we all suffer and the institution of Parliament suffers. I feel very strongly about this. People say politicians cannot be trusted. When I go into the community and say I have a guarantee from the Minister and that he said this or that, people laugh. At one time they did not laugh. I always thought that when a Minister said something in the House, even if he or she was saying something that was hard to accept, he or she stood by what was said. People once accepted that when a Minister made a statement,

that was it. Now people laugh. Where are we going if we let this continue?

The Privileges Committee was set up on party lines supposedly to investigate, but it seems to me it could have operated better and other pieces of information could have been brought before it. Today we hear the opposition say it will take the matter further. It has the numbers in this House and therefore it will establish a committee with an opposition majority that will come to the conclusion the opposition wants.

In the arguments put forward we heard that the opposition is after the truth. I inform the opposition that I will move an amendment to the motion, and if it is fair dinkum about seeking the truth rather than pulling a political stunt it will support the amendment.

I apologise to the opposition for not having circulated the amendment, but because of the rush it has not yet been typed. The opposition may wish to adjourn the debate in order to consider the amendment.

I move:

That in paragraph (b) all words and expressions after "opposition" be omitted with the view of inserting in place thereof ", one of whom shall be from the Liberal Party and one from the National Party, and the Honourable R. A. Mackenzie who shall be chairman".

Honourable members interjecting.

Hon. R. A. MACKENZIE — Members of the opposition are laughing, but I am giving them the opportunity of creating a balanced committee. I am totally independent; members of the opposition can ask members of the Labor Party about that! I am offering the opposition an opportunity of proving it is fair dinkum in wanting to find out the truth. This will prove whether the opposition wants to know the truth or whether it is simply pursuing a political witch-hunt. I believe the latter is correct, and continuing down that path will only bring Parliament into further disrepute.

The opposition has raised many valid points about the appointment of staff and the public has a right to know about those issues. I agree with what the opposition has said, but I am not certain whether the committee is the correct forum in which to follow up the matters. Today's exercise appears to be nothing

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more than a political stunt. If it is not, I challenge the opposition to support the amendment.

I feel more strongly about Parliament than I do about any political party; I have already proved that by the very fact that I am an independent member. I am offering the opposition an opportunity of proving that it is fair dinkum. I oppose the motion and ask the House to support my amendment.

Hon. K. M. SMITH (South Eastern) — I support Mr Birrell's motion because it is important. There must be some accountability within Parliament; there must be some responsibility to Parliament and not the Australian Labor Party; there must be some honesty. That is what the opposition is searching for — members of the government may laugh about the committee, but it will be open to the public so that they can see the honest way the committee will deal with the issues. The doors will be open to members of Parliament, members of the public and the media. That was not the case with the hearings of the Privileges Committee set up by the other place.

The opposition is searching for truth and honesty. The committee will investigate cases involving people employed as consultants or employees of government departments, authorities and agencies.

The work of the committee proposed by Mr Birrell will cover the whole spectrum of government activities.

Hon. B. E. Davidson interjected.

Hon. K. M. SMITH — Each and every department will have a chance —

Hon. B. E. Davidson interjected.

Hon. M. A. BIRRELL (East Yarra) — Mr President, on a point of order, the constant inane interjections from Mr Davidson make it almost impossible to hear the debate. I ask you to call him to order in line with previous rulings because he is trying to drown out the debate rather than making a contribution to it.

The PRESIDENT — Order! The point having been taken, I rule that interjection is disorderly.

Hon. K. M. SMITH (South Eastern) — The opposition is looking for honesty. We have not been able to gain it through requests under the freedom of information legislation and we have not been able to gain it just by leaks from the bureaucrats. There are

people who would like to come forward and talk to a committee such as is proposed and tell the truth before the public.

There are bureaucrats in the system who are honest, fair dinkum public servants who have been denied an opportunity of working in the area that they have chosen to work in. Their career paths have been diverted because people from the Labor Party — supporters of the Labor Party — have been appointed to positions others should rightly have. They have been denied the opportunity of working as they wish, by serving the public. When a public servant leaks information to members of the opposition because of problems the Labor Party has, that person is either sacked or pushed out of the way completely.

Members of the opposition have been asking questions. Three separate questions have been asked, two in this House and one in the other place. One question, asked of Peter Spyker, has been about Jeff Gordon and Peter Parkinson. In this House the Minister for Education and Training has been asked a question about payments made to Ann Morrow. The former Minister for Aboriginal Affairs was asked a question also, about problems that he had with his adviser, Trish Jones.

Much of the Mier activity went on between sittings of Parliament so that the former Minister could not be put under the necessary scrutiny. The truth could not be discovered about people like Trish Jones and the massive payout to that woman. We did not get the truth: the former Minister resigned. At least he had the good grace to do something right, he resigned.

However Peter Spyker is still sitting in his position as Minister for Transport. Yesterday he was given a pat on the back and a few kisses when he was cleared by the Privileges Committee in the other House, the very lopsided Privileges Committee.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — Mr President, on a point of order, I regard that as a reflection on the Privileges Committee and on the conduct of the committee from the other side, and I ask Mr Smith to withdraw.

The PRESIDENT — Order! Previously today I have drawn attention to the fact that one must not reflect on proceedings of the other House or of any committee of the other House. The reference to a "lopsided Privileges Committee" is clearly an

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imputation about the Privileges Committee, and I ask Mr Smith to withdraw.

Hon. K. M. SMITH (South Eastern) — I withdraw in regard to that matter.

Hon. B. E. Davidson interjected.

Hon. K. M. SMITH — Honourable members have heard members of the Labor Party arguing against Mr Birrell's proposal to establish a Select Committee to consider government appointments. They are trying to protect their own.

They are trying to prevent us from getting to the truth. When I say "us", I am referring to all members of Parliament and to all the people of Victoria. We are entitled to know the truth. We should not be faced with secrets. Information should not have to be drawn out word by word as honourable members have had to do when asking the Minister for Education and Training questions about Ann Morrow. At one stage he said, "You did not ask me the right questions". Questions were being asked about Ann Morrow but he just was not prepared to give the answers; he was not prepared to tell the truth; he was not prepared to tell the full story.

Where is Ann Morrow? The answer is: up in Canberra, hidden away. She was not called on; she could not be asked questions! Where is Jeff Gordon? The answer is: up in Noosa! The only one who seems to know where he is and can talk to him is the Premier! The last report on Trish Jones was that she was hidden away up in the Northern Territory!

Each of these people was a public servant. They were Labor Party appointees who were paid out huge amounts of money. I want to know why. Why was the truth hidden from members of Parliament and the public? I support Mr Birrell's motion to appoint a Select Committee that will establish the truth. It is the truth that is important.

Mr Birrell also referred to Ministerial responsibility. Earlier this year a Minister of this House was prepared to stand down because he was wrong. Mr Mier should be congratulated for taking that step, but Victorians still did not recoup the \$75 000 paid out to Ms Trish Jones. They did not recoup the \$9000 that was paid for the eight weeks leave in addition to the enormous payout. We did not get any of that back.

Ms Jones was not entitled to that money. Jeff Gordon was not entitled to his nearly \$100 000 payout.

Ann Morrow, who took something like \$600 000 out of the government coffers over a two-year period, did not deserve to be paid that extra money. They are the mates of the Labor Party. They were paid those amounts for supporting the Labor Party. They were plants put into public servant positions to do the bidding of Ministers of the Crown. Peter Spyker's mate, Jeff Gordon, was put in that position.

I have information that sixteen people were transferred from the Minister's office to the Public Transport Corporation. Those sixteen people drew up their own contracts. That is a disgrace. The Select Committee of the Legislative Council will be able to investigate that issue. There will be no secrets. The truth will come out. This committee will be searching for the truth. It will come up with honest answers. The committee will report to this House and to the public of Victoria.

Earlier Mr Mackenzie said that the committee will bring the House into disrepute. I suggest the Select Committee will bring out the truth for Mr Mackenzie and the House. The House will not be brought into disrepute. Wherever there is honesty there is no disrepute.

Hon. R. A. Mackenzie interjected.

Hon. K. M. SMITH — Mr Mackenzie should be supporting the committee that will be established as a result of the motion moved by Mr Birrell. If Mr Mackenzie feels strongly enough about it, he may be able to go and tell a few home truths about the department for which he was responsible when he was a Minister of the Crown a few years ago. He may want to tell the committee about what he believed was wrong in government departments. He may be aware of some of the public servants — mates of the Labor Party — who have been promoted up the ladder so quickly that their heads are spinning. He may be aware of public servants who have been deprived of senior positions because of the installation of Labor Party hacks.

In summary, I am delighted that the committee is being established. The search for truth and honesty will go on. There will be no secrets from this committee. The truth will be known. Members of Parliament once again will be able to hold their heads up high as a result of the committee's exposure of the government's appointment of its mates to senior positions in the Public Service.

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I congratulate Mr Birrell for his motion and I hope the Select Committee will come up with the answers that it expects.

Sitting suspended 1 p.m. until 2.3 p.m.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — The opposition and the National Party have proposed a motion that is no more than a fishing expedition, one that is not necessary. It is a fishing expedition that relates to a set of circumstances particularly in respect of the transport issues that might more appropriately be dealt with in another place and have been dealt with in another place.

The other matters that have been raised — the cases of Trish Jones and Ann Morrow — have been extensively canvassed. It is also true that no new issues were raised and no new persons were identified, nor were there new matters introduced.

Mr Birrell argues that he wants to know of anyone becoming rich at the expense of taxpayers. The government is interested to know if he does proceed with the motion how widely he is prepared to cast the net. Is Mr Birrell prepared to look at people like Ian Johns and to ask questions such as: where did he hide; when did he step down; who were his friends; when did he stay at Portarlington last when he was in hiding; and did he stay at Port Douglas as a guest of Andrew Kroger?

Hon. HADDON STOREY (East Yarra) — On a point of order, Mr President, the Minister is now addressing matters that are the subject of a Royal Commission and therefore should not be the subject of debate in this House.

The Minister is addressing issues that concern a body that is not a body covered by the terms of reference in this case, which refer to people engaged by the Crown either as public servants or under contract. Mr Johns was an employee of Tricontinental Corporation Ltd, which was a subsidiary of State Bank Victoria.

Hon. D. R. White interjected.

Hon. HADDON STOREY — It may have been a fully owned subsidiary but the government's line throughout the Royal Commission has been that some people were not public servants and therefore not the responsibility of the government. It seems strange for Mr White to try to drag in Mr Johns now. What the Minister is talking about is something that

is not covered by the motion, and in any event it is the subject of a current hearing by a Royal Commission.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — On the point of order, Mr President, as you recall during the course of the debate — perhaps Mr Storey was not present — Mr Baxter ranged fairly widely on the issues and precedents that should be taken into account about deliberations of the Privileges Committee. I asked a similar question about how wide the Leader of the Opposition is prepared to cast the net in defining the people who have clearly been acting at the expense of taxpayers.

There is nothing in relation to the activities of the Royal Commission to date that precludes me from canvassing those issues. To my knowledge Mr Johns has not yet been called before the Royal Commission. None of the matters I have canvassed has been dealt with by the commission. It is more than appropriate to ask — if we are talking about the general question, which is the spirit behind the motion — who, if anybody, has been benefiting at the taxpayers' expense.

The issue I want to pursue is how widely the Leader of the Opposition is prepared to cast the net when dealing with the conduct of the committee.

Hon. M. A. BIRRELL (East Yarra) — On the point of order, Mr President, in the matters that the Leader of the Government has raised it is clear that two points he has put are inconsistent with his first proposition. In the first place he referred to Mr Baxter's contribution as roaming widely. I do not need to remind you, Mr President, that you asked Mr Baxter to wind up his comments, but at no stage could you indicate that Mr Baxter's comments, which were about employees, were irrelevant to the debate; they were a preamble to it.

The comments made by Mr White are not about employees of any authorities that in any way relate to this motion. He is not even pretending that his comments are by way of a preamble. It is clear, as on previous occasions, that the Minister is trying to misuse the debate for another purpose. We will entertain him if he wants to do that.

The motion quite clearly says:

... to inquire and report upon all matters relating to the appointment, employment (whether on contract or otherwise) and termination of employees or of

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consultants to all Victorian government departments, authorities or agencies ...

The Minister does not need an explanation about how widely he can debate the issue. The motion does not include Tricontinental Corporation Ltd.

The PRESIDENT — Order! Honourable members will recall the ruling I gave when a point of order was taken during Mr Baxter's contribution to the debate. I said then that the examples he was giving were, at best, tenuously linked to the subject matter. I asked him to round off his remarks on that point and I indicated at the time that precisely the same latitude as had been given to Mr Baxter would be given to members of the government — fairly extensive latitude.

I do not rule the remarks out of order on the ground of relevance, but I take the point that there is currently a Royal Commission in progress. Whether or not evidence has been taken on a particular point, if that point is there for consideration by the Royal Commission, the tradition has been that any discussion of matters before the commission is avoided in Parliament unless an overwhelming case of public interest is made out. I do not believe there is a case of such public interest here, and I ask the Minister to avoid trespassing on the ground which is the subject of inquiry by the Royal Commission.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I thank you, Mr President, for your ruling and indicate that, prior to the point of order, I had concluded my remarks with the question: did Mr Johns stay at Port Douglas as a guest of Andrew Kroger?

I conclude on that point — that is, how widely is the Leader of the Opposition prepared to cast the net and is he prepared to look at and address such questions?

Hon. R. J. Long — Where is the taxpayers' expense there?

Hon. D. R. WHITE — An amount of \$2.7 billion was lost, Mr Long, with the clear understanding that the people primarily responsible for that —

Hon. R. I. KNOWLES (Ballarat) — On a point of order, Mr President, the Minister is flouting your ruling.

Hon. D. R. White — It was an interjection.

Hon. R. I. KNOWLES — Interjections are disorderly and the Leader of the Government knows he should ignore them. The Leader of the Government is clearly flouting the ruling you have just given, Mr President.

The PRESIDENT — Order! I understand that the Minister was provoked by an interjection but I think it would be wise if he did not speak about anything subject to the deliberations of the Royal Commission.

On the question of interjections, the point has been taken for the second time during this debate and the ruling must be consistent whenever such a point is taken: I must uphold it. I uphold the fact that all interjections are disorderly. It has been twice raised and I ask honourable members not to interject.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — Mr Mackenzie's amendment is designed to deal with the question of a committee being just and appearing to be just, both in its formation and its conduct. Mr Birrell has led the argument that the Labor Party often called for committees of inquiry in the Upper House. Each of those requests was defeated on party lines; no committee has been established except on party lines; and no committee has conducted itself in any way except on party lines. The exception might be found in Mr Mackenzie's amendment.

Mr Mackenzie is not a member of a party. He is a longstanding member of the House. There is no suggestion that he would be other than an impartial member of the committee.

Hon. M. A. Birrell — I thought you regarded him as a rat.

An Honourable Member — You're the one who said that.

The PRESIDENT — Order! I did call for the absence of interjections. I notice one of the interjectors is one who sought my ruling. I must enforce the ruling given and I ask honourable members to refrain from interjecting.

Hon. D. R. WHITE — Thank you, Mr President. I am making the point that there has been no suggestion from any member of the House that Mr Mackenzie would be other than an impartial member of the committee. All honourable members are familiar with Mr Mackenzie's conduct as President, on committees and in the House generally. There is everything to be gained for the

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reputation of the House if it avails itself of the opportunity Mr Mackenzie presents.

If Mr Mackenzie's amendment were to fail there would be only one explanation for what the opposition is seeking to do: it is not seeking justice or the truth, to quote Mr Smith, but wanting control. The opposition is interested only in control.

If we are to have an honest and truthful committee it is entirely reasonable that, should an opportunity of creating a setting where that can be seen to be the case in the eyes of all honourable members present itself, it should be taken and therefore the most appropriate course would be for the House to agree to the amendment moved by Mr Mackenzie and seconded by Mr Sgro.

The government will support the amendment on the ground that if such a committee has to be constituted — it is not the government's preference that it be constituted — the most appropriate way for it to proceed is on the basis that it is an independent committee.

The government is not at all confident that the committee will conduct itself in a way that will ensure that justice is done on the matters which are the subject of investigation, but which the government has not been party to, or to witnesses who will appear before it.

The opposition has raised no new issues on the Jeff Gordon matter that could not have been satisfactorily dealt with by the Privileges Committee in another place. There is no suggestion that the Privileges Committee in another place dealt with the issues in other than a satisfactory manner.

Hon. R. J. Long — We are not allowed to discuss it.

Hon. D. R. WHITE — If you understand the Orders of the House, Mr Long, you will know you may move an appropriate motion if you feel there is something untoward about the conduct of a committee or individual in another place. You have not done that and you have not demonstrated that case; you have come here to put a case in respect of the establishment of a committee without having demonstrated or even attempted to demonstrate that point.

If a committee is established it is not custom and practice for a member in another place to be called to appear. I cannot imagine that any member from

another place has appeared or would appear before a committee of this House. So, in setting up a committee we raise the spectre of one House being used to judge a member in another place when all the machinery and vehicles for dealing with such issues are available in another place. The Trish Jones issue has been resolved; the Ann Morrow issue has been fully canvassed.

Mr Baxter has reflected on the issue of precedent as it affected the City of Sunshine and asked that the committee take the issue of precedent into account.

Hon. W. R. BAXTER (North Eastern) — On a point of order, Mr President, this is the second time the Minister has misrepresented what I said. I am afraid from earlier remarks that other people are also under a similar misapprehension about my purpose.

I was not suggesting that the committee inquire into the City of Sunshine; I was simply using an inquiry conducted in 1976, which is on the public record, to demonstrate the notorious track record of the Labor Party for fixing up its friends. I was not suggesting that the committee should canvass that issue.

The PRESIDENT — Order! I do not uphold that as a point of order, it was an explanation. It is preferable for explanations to be kept until after a speech is over.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — If it is reasonable for Mr Baxter to raise the conduct of the City of Sunshine as a matter that ought to be taken into account directly or indirectly in the deliberations of the committee, it is not unreasonable that it should take into account the conduct of the National Party in Queensland and the suitability of any person from the National Party to serve on any committee.

The National Party has a well-founded history and tradition in Australia of putting its snout in the trough when in government. As I said to Mr Smith, there is no question that he would have a hard time getting to the trough if the coalition were ever in government.

The National Party in Queensland corrupted the Police Force, corrupted Ministers who have since served time in gaol, had a suspect jury system and, to compound the situation, denied civil liberty to individuals. The National Party did those things to compound its style of government, a feature of which has always been that it is done in the name of

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the family, God, the church and the National Party. The National Party is still using the same set of principles to justify the same practices.

So, if we call on precedent and tradition there is no justification for a member of the National Party serving on any committee of this kind, given the National Party's conduct in government.

Hon. W. R. BAXTER (North Eastern) — On a point of order, Mr President, I find those words offensive to my colleagues with whom I serve in this place and to me. No member of the National Party in Victoria has been involved in any of the activities described by the Leader of the House, and I ask for a withdrawal.

The PRESIDENT — Order! The last remarks of the Minister were clearly intended to link National Party members in this Parliament with the conduct of certain members in Queensland. I find that Mr Baxter has reasonable cause to be offended by those remarks. He is clearly offended and I ask the Minister to withdraw.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I withdraw. As I said at the outset it is clear that the motion is no more than a fishing expedition in relation to issues already well canvassed and dealt with adequately in another place. No case has been made in respect of any new information, new facts or issues that need to be canvassed by the proposed committee.

The government is opposed to the establishment of the committee. No case has been made for its establishment. Faced with the reality of the numbers in this House and the fact that the committee will be established, the government has indicated that it supports the amendment moved by Mr Mackenzie. It offers an opportunity for fairness.

If the committee is established in other than the Mackenzie mould, the government will say to anybody who is called before it that it was established on party lines for the purpose of certain parties having control of the process and not to ensure fair play.

All honourable members know that if Rod Mackenzie chairs the committee he will be impartial because of his personal character and conduct. The committee would comprise two members of the government, two members of the coalition and an impartial chairman.

Nobody in this Chamber could predict today, based on the evidence called before the committee, what Mr Mackenzie might do or not do any more than the government had any control over what he said or did as President of the Chamber. During his term as President of the Legislative Council there was no suggestion at any time that he was captive of any party in this House, as I hasten to add has been the case with all Presidents, and that should be the case. It is clearly the case with Mr Mackenzie. No-one suggested at any time, formally, informally or privately, that the case was other than I have stated.

The government has an offer on the table. If the opposition is genuine about its expressed view that it is seeking to uncover the truth, as Mr Smith says, that it is not a point scoring or fishing expedition, but that it wants to know if anyone has become rich at the taxpayer's expense and if so under what circumstances, it should allow the committee to be established on a basis where fair play can be seen to occur. If the coalition fails to accept the amendment it is clear from the government's point of view, from the media's point of view and the public's point of view that the coalition has created a setting in which it controls the committee for the purpose of a fishing expedition.

The government opposes the motion put by Mr Birrell suggesting that a case has been made for the establishment of the committee as proposed, but supports the amendment proposed by Mr Mackenzie and will offer members to serve on the committee at its first meeting on Friday who will play a constructive role, as has occurred in the past.

Hon. HADDON STOREY (East Yarra) — The House has heard a pathetic response from the Leader of the Government. It is a typical response from the Minister when he is backed into a corner. He lashes out at everybody and introduces various red herrings. He attacks people personally and viciously and never bothers to discuss the merits of the issue.

On this occasion the Minister has attacked the members of the National Party, the Liberal Party and people who have nothing to do with the government, the opposition or Parliament, but are people involved in a Royal Commission. The Minister has also impugned the members who would be appointed to the committee because he has cast doubts on their integrity. It is disgraceful conduct.

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The Minister complains that the proposed committee will have two Liberal members, one National Party member and two Labor Party members. At the same time he tells the House that the matter has been resolved because it was examined by the Privileges Committee in another place. That committee consisted of four members of the Labor Party and three members of the coalition. It was constituted in exactly the same way as this committee is proposed to be constituted. The proposed committee would have the same integrity, honesty and justice applying to it as the Minister applies to the Privileges Committee.

The Minister is obviously attempting to smear the people who will be members of the committee, but his argument is nonsense. It is incredible for him to suggest that the House ought to accept Mr Mackenzie's amendment to the motion, which would lead to the party with almost the greatest number of members in Parliament having only one member out of five on the committee. Mr Mackenzie's amendment proposes to delete one of the members of the Liberal Party so that the committee would comprise two members of the Labor Party, one member of the National Party, one member of the Liberal Party and Mr Mackenzie as chairman. It is outrageous to suggest that the Liberal Party, with almost half the members of Parliament, should have only one representative on that committee.

It is clear that Mr Mackenzie is not serious and that what he really wants is for him to be equal with members of the Liberal Party. Mr Mackenzie represents one person in Parliament, himself, as against a party that represents nearly half the people of Victoria. Mr Mackenzie was elected as a member of the Labor Party, yet he sits here as an independent. He has not been elected to represent anyone.

Honourable members interjecting.

The PRESIDENT — Order! I have already ruled on the question of interjections. I was asked to rule on the question and I gave my ruling. I expect that ruling to be observed by all honourable members.

Hon. HADDON STOREY — It is clear that the amendment is a device to give the Labor Party something to hang its hat on in opposing the motion. The Labor Party is schizophrenic over this issue. The Leader of the Government says the government is opposed to the motion, yet in a broadcast on the news today the Premier said she had no concerns

about a committee being appointed by the Upper House.

The Premier said that it is a reasonable way to proceed and that she does not have problems generally with Upper House committees. Obviously the Leader of the Government in this place does not talk to the Premier or rely on what her view is on the matter and is just trying to oppose this motion because he is worried about what the evidence might produce.

That is the key to the proposed Select Committee: it is not a question of who is on the committee; it is a question of what evidence the committee produces.

It is also significant that the Minister for Manufacturing and Industry Development said, "You do not have to worry about Ms Trish Jones. That matter has been resolved. The matter of Ms Morrow has been resolved". However, he did not say a word about Mr Gordon; he did not even mention his name.

It is clear from what Mr Birrell and other opposition members have said that there are still many questions to be answered in respect of Mr Gordon, and by his silence the Minister for Manufacturing and Industry Development is conceding that there are still many questions to be answered about Mr Gordon. That alone is enough justification for having this committee.

Despite many questions being asked about the Gordon affair, all the community has had is a bewildering array of words after words that do not reveal the full truth of what has happened and do not address the real issues that Mr Birrell discussed when he moved the motion. That has left hanging over the heads of everyone the concern about the way this episode occurred.

Of course the Select Committee will have a much wider brief than that because it is to examine other examples of this sort of thing happening in the Public Service involving either permanent employees or people employed under contract. In doing that the committee will be doing a service for the community.

What is important is that the evidence be given to show how people have been employed and what practices have been carried out by this government and its Ministers, so that the community can make a fair and proper judgment of their actions. Only a committee such as the proposed Select Committee

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can do that. Therefore the opposition certainly rejects Mr Mackenzie's amendment, which is a nonsense, and calls upon all honourable members to vote in favour of Mr Birrell's motion.

The PRESIDENT — Order! I understand that Mr Birrell does not desire to exercise his right of reply.

Mr Birrell has moved General Business, Notice of Motion No. 9, the text of which is clearly set out on the Notice Paper. To that motion Mr Mackenzie has moved an amendment:

That in paragraph (b) all words and expressions after "Opposition" be omitted with the view of inserting in place thereof ", one of whom shall be from the Liberal Party and one from the National Party, and the Honourable R. A. Mackenzie who shall be chairman".

Therefore the first question is:

That Mr Mackenzie's amendment be agreed to.

House divided on amendment:

Ayes, 14

Coxsedge, Mrs	Landeryou, Mr (<i>Teller</i>)
Davidson, Mr	Lyster, Mrs
Henshaw, Mr	Mackenzie, Mr
Hogg, Mrs	Mier, Mr (<i>Teller</i>)
Ives, Mr	Pullen, Mr
Kennedy, Mr	Theophanous, Mr
Kokocinski, Ms	White, Mr

Noes, 20

Ashman, Mr	Knowles, Mr
Baxter, Mr	Lawson, Mr
Birrell, Mr	Long, Mr
Chamberlain, Mr	Macey, Mr
Connard, Mr	Miles, Mr
Craige, Mr	Smith, Mr (<i>Teller</i>)
de Fegely, Mr	Storey, Mr
Evans, Mr	Tehan, Mrs (<i>Teller</i>)
Hall, Mr	Varty, Mrs
Hallam, Mr	Wright, Mr

Pairs

Crawford, Mr	Cox, Mr
Sgro, Mr	Skeggs, Mr
Van Buren, Mr	Best, Mr
Walker, Mr	Guest, Mr

Amendment negatived.

Motion agreed to.

VITAL STATE INDUSTRIES (WORKS AND SERVICES) BILL

Second reading

Hon. G. R. CRAIGE (Central Highlands) — I move:

That this Bill be now read a second time.

The purpose and intent of this legislation is to protect and enhance employment opportunities in Victoria and to secure industrial and commercial opportunities for private enterprise which add value to the Victorian economy.

The legislation will provide reserve power for the government to ensure that those who seek, for whatever purpose, to dramatically reduce the efficiency of a Victorian business sector can be restrained before permanent damage has occurred.

Mr Justice Lush of the Supreme Court, in *Atlas Tiles v Tile Layers Union* in the 1960s largely encapsulated the spirit of this Bill when he said:

I can see no justification in the way in which unions are constituted, or in the purpose for which they are constituted, for the argument that in the legitimate pursuit of these purposes they are entitled to override the private rights of others when those private rights are of a kind which the law ordinarily protects.

There are many other bodies formed by statute for purposes no less estimable than the purposes of unions, but it is not suggested that by any tacit means such bodies acquire immunity from these laws which protect private rights.

Victorians in unprecedented numbers find themselves out of work and yet we also find some sections of the union movement prepared — no, determined — to place at risk vital export industries such as the meat industry.

In the past ten years this industry has seen its numbers reduced from around 7000 employed to 2000 employed. Victorians know that in the past eighteen months the Victorian meat industry has accounted for 20 per cent of all strikes in Australia and in the past ten days we have seen yet another Victorian abattoir close and 67 jobs lost due to the reckless, selfish, politically motivated tactics of the Australasian Meat Industry Employees Union.

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Victorians say, "Enough is enough", and the Liberal-National coalition agrees. Nobody wants to stop the legitimate right of Victorian workers to process legitimate claims in a lawful manner, but selective union thuggery will not be tolerated by decent people.

This legislation gives the power to government to protect a vital State industry to construct a framework within which, with government support, an industry can continue to trade free from threat by outside forces.

As with all law affecting our citizens, if broken there are penalties. Where action is taken the Bill will enable recovery of loss or damages arising from the interruption or disruption of vital State industries and works. It also of course protects the long-suffering public.

I should stress that those who comply with the industrial laws already laid down have nothing to be concerned about, but those who choose to place themselves above the law should beware.

Those who seek to test this law will be subject to penalties that will match their lawlessness and will be comparable to fines introduced by the Cain and Kirner governments for breaches of occupational health and safety laws or dangerous goods laws.

The fines will be a maximum of \$250 000 in the case of an organisation and up to \$25 000 for an individual. In addition it will be possible for the Crown or a responsible body to obtain recovery for loss or damage. Importantly, the legislation enables the Attorney-General, the responsible Minister or any interested party to seek an injunction from the Supreme Court to restrain a person or organisation from engaging in the type of action that offends this law.

Should it be necessary to invoke this law we confidently expect a government, irrespective of its political flavour, to use it as legislation of last resort in a manner similar to the way the Essential Services Act has been carefully administered — not provocatively but in the public interest.

A responsible Minister charged with using this Bill will be empowered to maintain and support the continued operation of the vital State industry. The Minister will be able to employ sufficient personnel at not less than award rates to carry out the business required.

It will be possible for the Minister to direct what services will be maintained and have power to requisition the use of property required for the maintenance of any declared vital State industry.

We do not envisage the State overriding the management of individual companies; rather, this law is aimed at providing the framework for business to continue its normal operations free from outside interference.

Mr President, the Bill has resulted from the public's clear perception that some sections of the union movement, only a few, see themselves as being above the law, affecting other citizens, and it is in this context that the coalition industrial relations spokesman, Mr Phillip Gude, the honourable member for Hawthorn in another place, produced this legislation to create a framework to protect jobs and provide for compensation when the law is offended.

I commend the Bill to the House.

**Debate adjourned on motion of
Hon. T. C. THEOPHANOUS (Minister for
Consumer Affairs).**

Debate adjourned until next day.

STATE ELECTRICITY COMMISSION (AMENDMENT) BILL

Introduction and first reading

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) introduced a Bill to amend the State Electricity Commission Act 1958, the Local Government Act 1958 and for other purposes.

Read first time.

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

That the Bill be printed and, by leave, be read a second time forthwith.

Hon. M. A. BIRRELL (East Yarra) — Leave is refused.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) (By leave) — The State Electricity Commission (Amendment) Bill relates to the licensing arrangements predominantly for

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electricians. It has come into existence as a result of meetings of Ministers responsible for labour throughout Australia to deregulate part of the electrical trades industry so that certain works no longer have to remain the exclusive domain of electricians when clearly it is other than electrical work to be carried out.

The legislation has been agreed to in other States. The purpose of the Bill is to seek uniformity as agreed to by the State Ministers.

Hon. M. A. BIRRELL (East Yarra) (*By leave*) — We do not wish to be pedantic in refusing leave in these matters but the normal procedure is that the Minister talks to the responsible shadow Minister, and gives advice. That is why I refused leave. Now that the Minister has explained the purpose, I do not persist in refusing leave.

Motion agreed to.

Second reading

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

That this Bill be now read a second time.

The State Electricity Commission Act 1958 has been the subject of a number of amendments over recent years which have provided benefits for the electrical industry and the public. The further amendments now proposed have been brought about by a concern of the industry about the restrictive nature of the current licence provisions which act as a disincentive to investment.

At the conference of Commonwealth and State Ministers responsible for labour on 25 May 1990 Commonwealth, State and Territory Ministers agreed to a number of measures designed to reform licensing of electrical mechanics. These changes are intended to assist achievement of national uniformity and micro-economic reform, while maintaining safety standards.

The Act contains provisions for the making of regulations to prescribe the standards and methods of electrical installation work and to set the qualifications of the electrical workers by means of licensing. The Act requires that all installation work is carried out by a licensed electrical worker.

Current types of fire alarm, burglar alarm, computer and telecommunication systems which now

dominate the marketplace were not foreseen when the definitions were originally framed.

Much of this new equipment operates at very low voltages and poses no significant electrical hazard. In addition the micro-economic reform process has also identified certain work practices which are considered to pose no significant electrical hazard due to the very low voltage levels involved. This includes work which can be performed by instrument mechanics and mechanical fitters on a daily basis widely throughout industry. Examples are the installation of temperature-sensing equipment such as thermocouples and digital instrumentation.

These changes in work practices have meant that the Act will require amendment to accommodate a shift from equipment which was previously pneumatic or mechanical to equipment which is now electrical/electronic and which operates at a very low voltage. This work is currently subject to the provisions of section 46.

A national uniform approach to regulation is also a key element of micro-economic reform and the changes proposed to align Victorian practice with that of the other States would assist this aim.

Other anomalies and deficiencies have been shown to exist with the use of the current definitions. These are partly due to the introduction of new items of equipment and to work practices developed in particular industries. An example is the need to allow for the servicing and maintenance of fixed appliances such as cooking ranges or exhaust fans by unlicensed trained personnel after these appliances are disconnected from supply.

Using the new provisions contained in the Bill the commission will be able to exempt certain industries, practices or individuals from the need to comply with any part of the Act or regulations for electrical safety. An example of this is the intention to formalise the current responsibility which has historically been undertaken by railway and tramway personnel in relation to electrical apparatus used in connection with operating and maintaining the public transport network; similarly, the electrical apparatus which is used for broadcasting and telecommunications.

Clause 6(d) provides power to exempt by regulation the licensing requirement for electrical wiring work carried out by supply authority personnel such as linesmen while carrying out the temporary

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restoration of power after a supply failure. This work would be within the scope of their duties and would be carried out only after appropriate training. Similarly the installation of certain items of specialist equipment such as a hospital CAT scanner frequently requires the expertise of the manufacturer who provides specialist — or unlicensed — technicians in the installation of this equipment. This is particularly so in the case of equipment which is manufactured overseas and installed locally by a specialist technician sent to Victoria by the overseas company.

There is an expectation that the legislation will be amended as part of the micro-economic reform process. The commission has indicated that the proposed amendments will assist in bringing Victoria into line with practices in other States and will improve the interstate reciprocity of licences and therefore support micro-economic reform.

The proposed amendments, which have been the subject of consultation with industry and concerned bodies over the past two years, provide the flexibility to deal with future demands. The government is obliged to keep pace with current and developing technologies and provide a sound basis to facilitate development. These amendments go towards achieving this aim.

Clause 7 amends section 468 of the Local Government Act 1958 to provide that a municipal electricity supply undertaker will not be required to prepare two sets of accounts, for 30 June and 30 September each year. The amendments will allow an undertaker to supply only one set of accounts which will be wholly consistent and directly comparable with the accounts of the State Electricity Commission.

I commend the Bill to the House.

Debate adjourned for Hon. R. J. LONG
(Gippsland) on motion of Hon. R. S. de Fegely.

Debate adjourned until Tuesday, 19 November.

EDUCATION (OUT OF SCHOOL EDUCATION) BILL

Second reading

For Hon. B. T. PULLEN (Minister for Education and Training), Hon. T. C. Theophanous (Minister for Consumer Affairs) — I move:

That this Bill be now read a second time.

This Bill has the main purpose of ensuring that children whose parents choose not to use a school setting for their education, but wish to educate the children in their home, do not suffer any disadvantage but enjoy an education comparable to that received by the majority of children in our schools.

I wish to stress that the government is not removing the option of home tuition, or as it is called in this Bill "out of school" education, from those families who seek it. The government firmly believes it has a responsibility to ensure that all children have comparable educational opportunities. In carrying out this responsibility in relation to children involved in out-of-school programs the Department of School Education requires the cooperation of the parents and the Bill seeks to put into legislation the basis for that cooperation.

The Bill proposes that families seeking to educate their children at home shall provide such information as is necessary for the department to evaluate the quality of the educational program. Upon approval the parents will be granted a certificate approving the educational program for not longer than two years. The Bill also provides for the monitoring of the program during the life of the certificate to ensure that the quality of the education received by the children continues at the best possible level.

Should the department either not grant a certificate or cancel a certificate during its currency the parents will have the right to seek a review of the decision, firstly, from the responsible Minister and, secondly, through the Administrative Appeals Tribunal (AAT). At the request of the President of the AAT the Minister for Education and Training will be recommending a person of wide experience and expertise in education to assist the tribunal in these matters.

The Bill also contains safeguards to ensure that the out-of-school provisions are not used to overcome the registration procedures applicable to the non-government school sector. Under the provisions in the Bill it will not be possible for a group of parents individually to seek out-of-school certificates and then bring all their children together in the one place for the purposes of the educational program. Parents who seek to join with others for school purposes must, for the sake of the children,

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meet the registration requirements of the Registered Schools Board.

Members will note that with the introduction of this Bill the opportunity has been taken to transfer the school attendance provisions of the Community Welfare Services Act, for which the Minister for Education and Training is the responsible Minister, into the Education Act.

The governments of Victoria have long exercised the responsibility of ensuring the best educational opportunities for the children of the State. This Bill extends this responsibility to those children whose parents do not wish to avail themselves of the variety of school-based educational opportunities in the State, without denying the parents the option of an out-of-school educational program for their children.

I commend the Bill to the House.

Debate adjourned for Hon. J. G. MILES (Templestowe) on motion of Hon. R. S. de Fegely.

Debate adjourned until Tuesday, 19 November.

VOCATIONAL EDUCATION AND TRAINING (AMENDMENT) BILL

Second reading

For Hon. B. T. PULLEN (Minister for Education and Training), Hon. T. C. Theophanous (Minister for Consumer Affairs) — I move:

That this Bill be now read a second time.

The Vocational Education and Training Act of 1990 was a significant reform measure. Its enactment reflected the recognition by the government and the Parliament of the vital role vocational education has in the prosperity of this community and the individuals within it.

The Act was based on extensive consultation with industry, community groups and TAFE educators. It provided a legislative framework for industry, educators, community groups and government to improve vocational skills in this community.

The purpose of this Bill is to address a number of further issues which were not addressed by the Vocational Education and Training Act or which have arisen since that Act was passed.

PRACTICAL PLACEMENTS

Practical placements are an important part of a number of vocational education courses. They enable students to obtain practical work experience and on-the-job training in their fields of study. In a number of cases successful completion of placements is required to obtain passes in the relevant course.

During the debate on the Vocational Education and Training Act concerns were raised about difficulties being experienced with the old legislation in arranging practical placements for TAFE students.

In particular the status of students in relation to award pay rates and WorkCare coverage and the obligations of colleges and employers were unclear. The government therefore gave a commitment to examine these issues with a view to amending the provisions of the Act to remedy these problems.

This Bill fulfils that commitment. The Bill overhauls the practical placement provisions. It provides a mechanism by which the State Training Board, on the advice of the tripartite industry training board for the relevant industry sector, can authorise placements to occur in a particular industry and determine the conditions on which they will occur.

Generally the conditions under which placements occur will be very similar to the conditions applying to existing work experience arrangements for secondary students, except that there will be more flexibility in relation to the period of the placements.

This flexibility is needed because the length of placements is a matter which depends very much on the nature of the particular TAFE course and training requirements for individual occupational categories. For this reason the State Training Board can determine the conditions for placements in each course or occupational category but, in doing so, must get the advice of employers, unions and educators in those areas through the relevant industry training board.

There will be a maximum period of six months on placements for any one course or vocation. Where longer periods of on-the-job training are needed, this will be handled through "contract of training" arrangements similar to those used in the apprenticeship trades.

There are particular problems in occupations covered by Federal awards and these cannot be

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entirely resolved by State legislation. The Office of the State Training Board is working on proposals to have this problem addressed through the appropriate national forums.

DEVOLUTION OF POWERS TO TAFE COLLEGES

One of the objectives of the Vocational Education and Training Act was to promote the devolution and decentralisation of decision making in the State training system. This Bill goes further along that path by enabling greater delegation of central authority.

At present a number of routine personnel management matters are handled centrally by the Office of the State Training Board. It is intended to delegate many of these functions to TAFE college councils. This Bill facilitates that process by authorising college councils to make further delegations of those powers. This is consistent with the principle that TAFE colleges are self-governing bodies under the management and control of college councils constituted in accordance with the Act.

The Office of the State Training Board will establish a working party to develop and implement the new delegation arrangements in relation to the TAFE Teaching Service.

This working party will include representation from the Federated Teachers Union of Victoria and the TAFE College Councils Association.

It is intended that the delegations on personnel matters will include guidance and limitations so that delegates apply proper standards and conditions. There will also be a process for the review of decisions to ensure that delegates act in accordance with the usual principles of merit and equity in public employment. This review process will be similar to the hearings process in the Public Service.

One of the major issues in the preparation of the original legislation was the employment status of college directors. At present they are members of the TAFE Teaching Service and are centrally employed. The TAFE College Councils Association and some employer groups believe directors ought to be employed by individual college councils. On the other hand, the Federated Teachers Union of Victoria and the Trades Hall Council believe strongly in maintaining central employment arrangements for permanent TAFE teachers and that college directors should be included in this central employment arrangement.

Although the Vocational Education and Training Act did not alter current arrangements, the government gave a commitment to facilitate a Parliamentary debate on this issue at the completion of the negotiations on new industrial arrangements for the TAFE Teaching Service.

While negotiations on some aspects are still continuing, an agreement between the government and the FTUV was signed on 19 September this year. This agreement does not provide for any alteration in the status of employment of college directors.

While the government understands that college councils believe their direct employment of directors would enhance councils' capacities to manage colleges, there are also good reasons for maintaining some degree of central involvement in the selection and conditions of directors. These reasons include the fact that the directors supervise centrally employed staff, that these positions are part of the Statewide career service for TAFE teachers and that TAFE colleges are part of a Statewide training system and the directors play a key role in managing this system.

This does not mean to say that these ends can be served only by having directors appointed in precisely the same manner as all other TAFE Teaching Service staff. In fact the draft proposals for new training legislation issued by the State Training Board in August 1989 proposed that college councils should have significantly greater powers in the selection of directors. It also proposed a mechanism by which particular positions could be made fixed-term appointments rather than tenured positions as is normally the case.

The Bill now provides an opportunity for Parliament to debate the issue.

DEFENCE FORCE TRAINING

Earlier this year the Commonwealth government established an Army College of TAFE at Bonegilla. This college grew out of the Army Apprentices School, which has for many years cooperated closely with Victorian training authorities.

The Victorian government fully supports the Commonwealth government's initiative in establishing the Army College of TAFE. This Bill effectively puts that college on an equal footing with State TAFE colleges. In particular the Army College will have automatic access to the State accreditation

CO-OPERATION (CREDIT CO-OPERATIVES) BILL

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system and it will be able to exercise delegated powers from the State Training Board.

A further reform is to allow the board to determine that specified defence force training programs are equivalent to the training programs approved by the board. The effect of such a determination will be that members of the defence forces who complete a defence force training program will be treated for the purposes of State legislation as if they had completed the equivalent civilian training program.

NATIONAL FRAMEWORK FOR TRAINING

The Federal-State Council of Vocational Education, Employment and Training Ministers is currently working on a national framework for the recognition of training. Under this framework the Commonwealth and each State and Territory will agree to abide by a set of principles for ensuring national consistency of recognition of courses, training programs, training providers and recognition of prior learning. The Bill contains amendments to enable that framework to be fully implemented in Victoria.

STATEMENT RELATING TO SECTION 85 OF THE CONSTITUTION ACT

1. Clause 18 of the Bill proposes to insert a new section 93A in the Vocational Education and Training Act 1990 that is intended to alter or vary section 85 of the Constitution Act 1975 to the extent necessary to prevent the bringing before the Supreme Court of an action of the kind referred to in proposed new section 91E of the Vocational Education and Training Act 1990.
2. Clause 15 of the Bill proposes to insert a new section 91E which has the effect that no action lies against any person for breach of a duty which would otherwise be owed to another person as a student at a TAFE provider while the student is employed under a practical placement arrangement.
3. The reasons for preventing the bringing of such an action are as follows:

It is impossible for college staff to exercise effective supervision of a student while that student is working in accordance with a placement arrangement. In effect, that student is

working in an employment situation under the supervision of the employer with whom the student is placed.

The rights of students to compensation for work-related injuries in relation to placements are adequately protected because they are deemed to be workers for the purposes of the Accident Compensation Act 1985 by the definition of "worker" in section 5(1) of that Act.

CONCLUSION

The Bill will further enhance the progress being made in the reform of training in Victoria and nationally.

I commend the Bill to the House.

Debate adjourned for Hon. HADDON STOREY (East Yarra) on motion of Hon. R. S. de Fegely.

Debate adjourned until Tuesday, 19 November.

CO-OPERATION (CREDIT CO-OPERATIVES) BILL

Second reading

Hon. M. A. Lyster (Minister for Health) — I move:

That this Bill be now read a second time.

This Bill is a further step in the government's reform of the legislation for non-bank financial institutions. As honourable members will be aware, in the past two sessions of Parliament the government has introduced legislation amending the law governing building societies and friendly societies. The building societies reforms involved the establishment of an independent reserve board to monitor new Reserve Bank style prudential standards for building societies and to take over the supervisory and administration of law functions of the Registrar of Building Societies.

Amendments to the Friendly Societies Act which were passed by Parliament at the beginning of this session set up an independent reserve board for friendly societies along the lines of the Building Societies Reserve Board. The Friendly Societies Reserve Board will supervise friendly societies and generally administer the friendly societies legislation.

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Credit cooperatives in this State have been supervised in part by the Credit Cooperatives Reserve Board, which was set up to administer the Credit Cooperatives Reserve Fund and to generally provide oversight of and advice to credit cooperatives.

In accordance with recommendations of KPMG Peat Marwick's report on non-bank financial institutions, the Bill amends the Co-operation Act to ensure that the Credit Cooperatives Reserve Board is comprised of members who do not hold current positions of authority in credit cooperatives or in associations or federations of credit cooperatives.

Self-regulation by financial institutions is not considered by this government to be appropriate. This is a view which has been endorsed by the special Premiers Conference working group formulating proposals for a national scheme for the supervision of non-bank financial institutions. The aim of the Bill, and that of the recent amendment to the Building Societies Act and the Friendly Societies Act, is to ensure that persons independent of the relevant industries, but with appropriate expertise in the financial or commercial sectors, provide objective and comprehensive supervision of credit cooperatives, building societies and friendly societies, with a view to protecting members and depositors and the investing public at large.

In order to ensure that the valuable views and experience of members of the credit cooperatives industry are available to both the reserve board and the Minister, a Credit Cooperatives Advisory Committee is established by the Bill to make recommendations for the effective and efficient operation of credit cooperatives and their associations and federations, and to report and tender advice to both the Minister and the reserve board on matters which are referred to it.

The Credit Cooperatives Advisory Committee is expected to be an integral and important part of the new supervisory regime and the Bill requires the reserve board to consult with the advisory committee on a number of key issues. In particular the advisory committee will be instrumental in ensuring that the reserve board is accountable for the costs of its operations and the reserve board will be required to consult with it on the levies and contributions it imposes for the reserve fund and the administration fund. Like building societies and friendly societies reserve boards, the Credit Cooperatives Reserve Board is to be funded by the industry itself.

Although it is intended that the Credit Cooperatives Reserve Board be as independent as possible from government, the Minister must approve the reserve board's budget. An annual report must be prepared for tabling in the Legislative Council and the Legislative Assembly. This annual report must include a report of the reserve board's operations during the financial year and financial statements for that financial year. The reserve board's accounts and financial statements are subject to audit by the Auditor-General. In this fashion the reserve board will be made accountable to the Minister and to Parliament.

Like members of the building societies and friendly societies reserve boards, individual members of the Credit Cooperatives Reserve Board have been provided with immunity from civil proceedings where the member has acted within his or her powers or within what he or she believed in good faith to be his or her powers. However the immunity does not apply if loss or damage was caused to a person through the wilful misconduct, wilful neglect or wilful failure of a member to comply with the legislation.

Once again this is in accordance with provisions in the building societies and friendly societies Acts and is designed to provide members of the reserve boards with a degree of protection from litigation when they are not derelict in their duties. This is in recognition of their important role and in order to enable them to proceed with vital business of prudential supervision and administration of the legislation without unnecessary distraction or harassment.

Finally the Bill amends the Co-operation Act to replace the existing provisions allowing the reserve board to place a credit cooperative or association under direction with more extensive provisions which remedy problems identified in the earlier provisions.

As honourable members will now realise, the Bill represents a major reform of the supervisory arrangements for credit cooperatives. It is consistent with arrangements for building and friendly societies and, importantly, is consistent with the proposals of the special Premiers Conference working group on reform of non-bank financial institutions. I should like to report to honourable members that the working group is making rapid progress preparing template legislation for building societies and credit cooperatives, which the

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Victorian government will consider applying in this State in due course.

The Bill is limited in its scope because of the promising development of these proposals but brings about those changes which are considered to be sufficiently important to justify amending State legislation in the short term and which will facilitate the speedy implementation of the national working group proposals in Victoria in the long term.

I commend the Bill to the House.

Debate adjourned on motion of Hon. J. V. C. GUEST (Monash).

Debate adjourned until next day.

STATE INSURANCE OFFICE (SALE) BILL

Second reading

Debate resumed from 12 November; motion of Hon. D. R. WHITE (Minister for Manufacturing and Industry Development).

Hon. R. A. MACKENZIE (Geelong) — This is an important Bill that signifies another step in the privatisation of yet another public body, which to me and many Victorians like me is tragic.

There is no doubt that a good society needs not only a healthy public sector but also a healthy private sector. From time to time some parts of the public sector are discovered to be inefficient, as is the case with some parts of the private sector. But just as the private sector need not be ineffective and inefficient, public organisations need not be ineffective or inefficient.

I can understand the government's deciding to off-load inefficient public organisations, but that does not excuse the selling off of State Bank Victoria, which proudly served Victorians for more than 130 years or, in this instance, the State Insurance Office (SIO), which together with its forerunners has served Victorians for 77 years.

I am surprised that during the debate not one voice has been raised in protest against the sale of the SIO. Unfortunately only one dissenting voice will be raised during this debate at a time when tens of thousands of Victorians are concerned about the step the government plans to take.

I am far more critical of the government than I am of the coalition, because the coalition has made no secret of its attitude to the selling off of the SIO.

It was not until the Labor government came to office that the franchise of the State Insurance Office was altered to enable it to compete against private institutions; and despite its attitude towards the selling off of public institutions, the coalition agreed to pass the legislation that enabled the SIO to compete with private insurers.

I have long believed that responsibility for certain aspects of our lives, such as insurance, health and transport, rightly belongs in the public domain.

It all boils down to the fact that private insurers make profits from our fear of the future and the unknown, because they promise security and protection against unforeseen calamities. I believe it is important that the public sector offers people insurance as a matter of right.

As a driver of a motor car for many years I am well aware of the changes that occurred in the compulsory third-party insurance market. When I first registered a car I was given a list of insurers to choose from. A number of those companies dropped out of the market after deciding compulsory third-party insurance was not lucrative. Before long only the Royal Automobile Club of Victoria (RACV) and the forerunner of the State Insurance Office offered such insurance; and after the RACV dropped out only one insurer was left.

If it were not for the SIO and its forerunners, Victorian motorists would not have been protected. Once the SIO is sold, will we be offered the same protection? Of course not!

Despite that, not one voice has been heard from either the government benches or the opposition benches in protest against the sale.

I am saddened and angered by the proposal to sell the State Insurance Office, which has a proud history. Although I would like to believe that I have the eloquence to persuade honourable members on both sides of the House to change their minds, I understand the reality of the situation, which is that we will soon no longer have a State Insurance Office. That is why I believe it is important to place its achievements on the record.

The State Insurance Office and its forerunners have been an integral part of Victoria since the Workers

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Compensation Act was proclaimed in 1914, after which the State Accident Insurance Office (SAIO) opened its doors in Bourke Street to administer compulsory third-party insurance; and its first year's profit and loss statement shows an income of 28 500 pounds.

Hon. K. I. M. Wright — What are you quoting from?

Hon. R. A. MACKENZIE — I am reading from the *Insurance Record* of March 1991.

In 1941 the State Motor Car Insurance Office (SMCIO) opened for business, offering both comprehensive and compulsory insurance under the Motor Car (Third Party Insurance) Act of 1939, which was established to protect Victorians who were injured in car accidents.

In 1966 the State Insurance building in Collins Street was officially opened and became the location for both the SAIO and the SMCIO.

In 1975 the proclamation of the State Insurance Office Act brought the SAIO and the SMCIO together to operate as the State Insurance Office. The gradual departure of other insurers from the compulsory third-party insurance market meant that the SIO became the sole insurer in that market.

Significant changes occurred in 1983, when Parliament passed legislation to extend the office's franchise to enable it to sell a full range of life and general insurance products, after which a wide range of general insurance products became available.

Many changes were made over the ensuing years. In line with the 1983 amendment a domestic insurance division was established in 1984. Other changes saw the introduction of the Accident Compensation Act and the WorkCare Act, which superseded the Workers Compensation Act. The SIO successfully tendered for and was appointed as the claims administrator for the newly established Accident Compensation Commission.

The SIO life division was launched in 1986 with a limited range of products. It is only this year that the SIO ceased to operate as a compulsory third-party insurer and in 1987 it was transferred to the Transport Accident Commission.

We should never forget the role the SIO played when it was the sole protector of motorists in Victoria.

Hon. K. I. M. Wright — They had some good agents.

Hon. R. A. MACKENZIE — They still do. The *Insurance Record* says:

SIO is a profitable statutory corporation with its profitability firmly supported by a strong Victorian policy holder base. SIO has more than 400 000 policies in force...

On this subject I ask the Minister to address the fate of the policyholders. There is nothing about them in the legislation. I understand the phone has been running hot at the SIO because policyholders want to know the future of their policies.

Hon. K. I. M. Wright — It is a national concern.

Hon. R. A. MACKENZIE — It certainly is. These people chose to insure with a public insurance company and that is to be changed, so they will be placed on the open market. They are very concerned and there is nothing in the legislation about their protection. I ask the Minister to give an assurance that the government will consider the policyholders and protect them. I do not know how that can be done now that the legislation is about to pass. It should have been put in the legislation in the first place.

I find it hard to come to terms with the fact that the government has departed from Labor Party policy and philosophy. Honourable members should consider the Australian Labor Party's economic policy document. Paragraph 7.3.6 states:

A Victorian Labor government will continue to support the operation of State-owned financial institutions and their continued expansion provided that underlying social, as well as economic, objectives are met by such institutions. The SIO will be encouraged to provide community-based services which are currently not available from the private sector or those services which are socially beneficial to Victoria.

That is the party document. On 27 March 1984 in the Legislative Assembly the Honourable Jeff Kennett announced publicly that when he became the Premier he would seek the sale of the SIO. On the same date in the other place the former Premier, Mr Cain, said:

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The government has no intention whatever of effecting any sale of a valuable public asset like the State Insurance office. The Leader of the Opposition wants to sell it and if he were to proceed with his nonsense and sell the office to private enterprise, premiums for third-party insurance would at once increase by no less than 58 per cent ...

I assure the Leader of the Opposition and the honourable member for Westernport that, whatever may be done in Western Australia, the Victorian government will not put the people in this State in a position where private insurers opt out of what they perceive as unprofitable fields of insurance.

The Premier was backed by the then Treasurer, Mr Jolly, who according to *Hansard* of the same day said:

I make it clear the government has no plans to sell either the State Insurance Office or the State Bank, both very important organisations to the economy. Everyone should be well aware that the government has taken action to reform both the State Insurance Office and the State Bank so that they are more efficient and effective organisations. The government has done this to ensure that there is better competition in the marketplace and greater consumer choice.

I could not agree more than with those statements. The government has abandoned policies for which it has always received a mandate. A number of Victorians feel terribly let down and abandoned by a government they have supported — for many years in some cases — because of its policy of maintaining a strong public sector. People who have been in the labour movement since the late 1940s like I have, people who have always supported the proposition that a healthy economy and a healthy society rely on a proper balance between the public and private sectors, come to my office with their concerns. This rush to shed these institutions is of great concern because I know in my heart that the people of Victoria will live to regret it.

I am also concerned because I do not believe the Bill provides sufficient protection for SIO staff. I have had discussions with staff members and I take this opportunity of raising their concerns with the government and the opposition because they should be aware of them. A staff journal called *Expressions*, otherwise referred to as the "Blue Stop Press", sought to explain what would happen and a broad summary of provisions affecting staff was circulated. Paragraph 2 says:

On one month's notice to Secretary PSB (by either the staff member or the purchaser) continuing staff (i.e. VPS officers) become unattached VPS officers on conditions no less than they had on the day before sale.

Paragraph 3 states:

Notice may not be given under (2) until after 3 months after the day of sale and only until 2 years after the day of sale.

The staff ask the Minister to take on board a number of questions about paragraph 3. The first is:

Does this mean an SIO staff officer (VPS) cannot during the first three months after the sale date elect to be an unattached officer if they want to; if not, why not?

Under whose authority do the SIO employees come during that first three months after the sale date?

If it is to be the new purchaser, then what protection do we have up to and during the first three months, as we cannot take an objection under 2 and 3 on the "Blue Stop Press"?

Another question is:

Do the above questions mean then that the VPSPA protection ceases on the day the SIO is sold? YES or NO?

The Minister should provide an answer to that question. If the answer is yes, does that mean the staff has no union protection for the first three months? The staff is unable to make a choice of employer until three months has elapsed from the time of the sale. If the answer is no, what union protection will the staff have?

I should have thought that the Bill would have addressed that issue. During the Committee stage I shall propose some amendments to provide staff with union protection.

The government owes the loyal employees of the State Insurance Office answers to their questions. A further question is:

Under items 2 and 3 of the blue sheet dated 23.10.91; isn't it true then that the new purchaser can, if it chooses to do so, elect to put anyone off after day one after three months from the date of the sale?

In other words, there is only three months breathing space for the staff. Six months would be reasonable,

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but three months is not enough. The government owes it to staff members to protect them. It is an extremely worrying and trying time for the officers involved. When the new purchaser takes control the staff will have no protection and they need that protection from the first day.

The staff are also extremely concerned about the policyholders, many of whom they have worked with for many years.

I am totally opposed to the Bill. I understand some of the reasons why the government is selling the State Insurance Office, but I do not believe they are the right reasons. The government and the people of Victoria will rue the day that Parliament approves the sale of an institution that has served the people of Victoria exceptionally well.

The past few months have been exceptional because honourable members have witnessed the loss to Victoria of the State Bank and the State Insurance Office. Taking into consideration the experiences in the United Kingdom and New Zealand, I cannot believe the march to privatisation will be of benefit in the long run. Unemployment in this country is bad enough now and I am convinced that privatisation will lead only to further increases in the ranks of the unemployed.

Hon. M. T. Tehan — But it will improve efficiency. Are we running an employment agency or a hospital?

Hon. R. A. MACKENZIE — Efficiency must be achieved, but privatisation is not necessarily the way to go. There are many inefficient private organisations. Not all of the current problems have been caused by the trade union movement; the reason many organisations cannot compete is because of bad management practices.

Hon. M. T. Tehan — Managers have their hands tied behind their backs!

Hon. R. A. MACKENZIE — Privatisation does not necessarily result in a better and more efficient organisation. There are other ways to make public bodies efficient — for example, Ministers could be left in charge of their portfolios for a number of years in order to really understand their jobs. Some countries appoint Ministers from outside the public sector. I fervently believe Victoria must have a strong public sector as well as a strong private sector. I would hate to see total privatisation.

I shall go through the scenario that may occur with the sale of the State Insurance Office. The purchaser will have to borrow money to purchase the office and will probably get it from overseas. Although the proceeds of the sale will go to pay off Victoria's debt, the nation's debt will increase. Some 70 per cent of the national debt is in the hands of private borrowers and the sale of the SIO will add to that. As Australians we will still be in debt and we will have lost the SIO in the process. It is ridiculous to go down that path.

Hon. K. I. M. Wright — That is if your premise is correct and the purchaser borrows money from overseas.

Hon. R. A. MACKENZIE — It is a possible scenario.

I am a lone voice crying in the wilderness and I again indicate my total opposition to the Bill. I realise it will be passed through the second-reading stage, and when it is dealt with in the Committee stage I shall propose amendments in an attempt to improve the measure. I totally oppose the Bill.

Hon. ROBERT LAWSON (Higinbotham) — For as long as I can remember there has been debate on the subject of privatisation and whether the government should own anything in the nature of the State Insurance Office or State Bank Victoria. Because of the influence of Mrs Thatcher, the recent events in Eastern Europe and a number of similar happenings, it appears the debate has been won by the purists. It is not only the Victorian government; governments all over the world are disposing of assets of the nature of the State Insurance Office.

Honourable members will remember the events of 1949 when Mr Chifley wanted to nationalise the banks. That resulted in a furor with the consequence that the Labor government lost the election and the years of Menzies rule began. It was in the days when the Labor Party still had in its policy the socialisation of the means of labour production, distribution and exchange. That has long gone from the policy, but it has not altogether died in the minds of members of the Labor Party.

I was interested to hear Mr Mackenzie quote from *Hansard* when in 1984 the Leader of the Opposition, Mr Kennett, said that on assuming office a Liberal government will sell State Bank Victoria and the State Insurance Office.

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The then Premier, Mr Cain, and the then Treasurer, Mr Jolly, sprang to the defence of those institutions. As honourable members have heard, they stated that there was no intention to sell either the State Insurance Office or State Bank Victoria. They said the two bodies were to remain forever — figuratively speaking — as jewels in the crown of the Victorian government. Things have changed immeasurably since then.

The sad thing about passing the State Insurance Office (Sale) Bill is that the sale of the SIO is not driven by ideology, it is debt driven. It was the same with the sale of State Bank Victoria: there was no desire on the part of the Labor government to sell the State Bank but it got Victoria into such a position that no other choice existed but to sell it. As a result an enormous asset worth \$2 billion has been lost and Victoria has got nothing for it. In fact what is left is a debt that must be paid off. What has occurred is the most horrendous experience under a Victorian government since Victoria became a separate State. We have lost State Bank Victoria, which was with us for more than 150 years, and we have nothing but debt to show for that loss.

The same could be said for the State Insurance Office. The proposed sale of the SIO is, as I said, debt driven. A few months ago, when the original Bill proposing the sale of the SIO was before honourable members, a figure of \$300 million was quoted as being the proceeds of the sale. A similar figure was mentioned as the cost of getting rid of 10 000 public servants. At the time a neat operation could have been undertaken: the SIO could have been sold and 10 000 public servants could have been paid out. If the government had not taken on the public servants in the first place, no need would have arisen for the government to get rid of them and some benefits could have accrued from the proposed sale.

The sale price of the SIO has increased, which is of some advantage. However, given that the acknowledged State debt is \$38 billion, \$300 million — or whatever will be the sale price of the SIO — is a mere bagatelle. It will make no difference, or very little, to the State's debt. Even if that money is directed to the Debt Retirement Fund, it will not help the debt very much. Considerable doubt exists as to whether that course will be followed; it seems more likely that the money will be used to pay public servants or for some similar purpose and Victoria will be no better off after the loss of the SIO. We will have nothing to show for the sale of that organisation.

The government has a spiralling debt. It has introduced a debt management strategy with a view to managing that debt but the strategy is not working. The State's debt is increasing and Victorians are in the debt trap of borrowing money to pay interest on borrowed money. When one is in that trap, no hope exists for the future. As I said in an earlier debate, a critical debt mass will be reached. Victoria will not be able to pay its debt and will find itself in a situation similar to that in which other States have found themselves. I invite honourable members to consider what will happen to Victoria when we have to say to the Japanese — or whoever it is from whom we are borrowing money — "I'm sorry; we can't pay; we are taking the Argentine road".

The State Insurance Office will be sold for the same benefit to Victoria as it derived from the sale of its State Bank: for no advantage, or very little. The question that must arise in the minds of honourable members is: what will we sell next year or the year after?

As I said, the acknowledged State debt is \$38 billion. But Victorians will not know the true level of the debt until Alan Stockdale is the Treasurer and he initiates an audit of the State debt to discover what this government has done to Victoria.

As you are aware, Mr President, the opposition will not oppose the Bill. However I put on the record that this is a very sad occasion for us in particular and for the State of Victoria in general. We are reduced to selling a magnificent organisation such as the State Insurance Office merely for the sake of trying to rid the State of a tiny portion of its debt.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 9 agreed to.

Clause 10

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

1. Clause 10, page 8, line 6, after "to be a" insert "continuing".

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2. Clause 10, page 8, line 17, after "to be a" insert "continuing".
3. Clause 109, page 8, line 19, omit "electing" and insert "elected".

The amendments correct drafting errors.

Amendments agreed to.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

That it be a suggestion to the Assembly that they make the following amendment in the Bill:

Clause 10, page 9, line 4, after "Fund" insert "and as if a reference to an employing authority included a reference to a purchaser referred to in sub-section (1) of this section and a reference to an officer included a reference to a staff member referred to in that sub-section".

The Treasurer is required to determine employing authorities to which the State Superannuation Act 1988 applies in respect of employees and payment of employer contributions.

A deduction for the employer share of income tax paid in respect of employees is available only when paid to a superannuation fund; payments made to the Consolidated Fund are not normally deductible. The suggested amendment allows an income tax deduction for the purchaser of a State Insurance Office business or businesses for continuing staff members paid by the purchaser. It will also permit deduction should the purchaser acquire past service superannuation — that is, unfunded — liability. The suggested amendment will ensure that continuing staff members will retain their State superannuation entitlements.

Hon. R. M. HALLAM (Western) — Given that several amendments were circulated, I thank the Minister for Manufacturing and Industry Development for his explanation and signify that the opposition is prepared to support the suggested amendment.

Suggested amendment agreed to.

Hon. R. A. MACKENZIE (Geelong) — I move:

Clause 10, page 9, after line 9 insert —

"() Despite anything to the contrary in any other Act, the Industrial Relations Commission or a Conciliation and Arbitration Board constituted under the Industrial Relations Act 1979 may hear and determine any question in a dispute

concerning the terms and conditions of the employment of continuing staff members."

In the second-reading debate I raised this matter with the Minister and I hoped he would have referred to it at the beginning of the Committee stage. I sought assurances from the Minister on the position of continuing staff at the State Insurance Office. That is one reason for the amendment. Without the amendment the Bill does not specify any industrial tribunal or process by which an individual grievance or dispute can be resolved, short of action in the Supreme Court. The amendment, which I understand will have the support of the opposition if the government supports it, is an important addition to the Bill.

In the second-reading debate I raised concerns expressed by staff about their future when the SIO is sold. Staff expressed concern about the lack of protection they will have after the three-month period provided by the Bill, a period that should be extended. I ask the Minister to provide some assurances that protection will be offered to continuing employees and also to policyholders. There is nothing in the Bill about policyholders but I seek the Chairman's indulgence to deviate and ask the Minister to offer some support to policyholders.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — In discussions with the Victorian Public Service Association a number of issues related to the employment of staff at the SIO were raised.

Staff have the ability for a period of up to two years to opt to return to the Public Service after the sale of the SIO. Part of the agreement with the VPSA was that no staff member could elect to return within the first three months following the sale to ensure some stability for the new owner.

Following the sale the Finance Sector Union of Australia would technically have coverage of the staff. The Treasurer recognised that because of the potential rights of staff to remain in the Public Service some compromise about the role of the VPSA vis-a-vis the Finance Sector Union should be reached. Following consultations with the new owner the Treasurer is prepared to include an arrangement about the role of the two unions into the terms and conditions of the employment of staff. This has been conveyed to the VPSA.

The government does not support the amendment but it is prepared to say that today the General President of the VPSA has met with the Treasurer

and the Treasurer has assured the association that the government will work with it to resolve the terms and conditions of employment. Given that the Treasurer has given that assurance, the government is of the view that this is a sufficient step to take, and given that it will move another amendment in the Committee stage it is not the intention of the government to support the amendment moved by Mr Mackenzie.

With respect to Mr Mackenzie's comments on policyholders, a matter not directly related to the clause, I will give consideration to the matter raised by Mr Mackenzie when I reply at the third-reading stage of the Bill.

Hon. R. M. HALLAM (Western) — The thrust of the amendment moved by Mr Mackenzie is captured by a letter of 1 November to me by the General President of the Victorian Public Service Association. I understand similar letters were sent to all members of the opposition:

We are seeking this provision because the Bill in its present state does not specify an industrial tribunal or process by which any individual grievance or collective industrial issue can be resolved short of an action in the Supreme Court of Victoria.

The VPSA takes the view that it would be inappropriate in a commercial environment and would not encourage the development of an ongoing relationship between SIO staff and a purchaser.

The coalition considered the issue at some length and on behalf of the coalition's Treasury Bill committee the shadow Treasurer, Alan Stockdale, wrote to the general secretary of the VPSA on 4 November and set out the circumstances against which the coalition's position had been determined. The central thrust of that response was:

The suggested amendment appears to raise some technical jurisdictional difficulties but I will ensure that your request is discussed by the coalition's committee and with government representatives.

I assure the Committee that that has taken place. Nonetheless the coalition is confronted with a dilemma, the basis of which I outlined during the second-reading debate.

There are two remaining concerns of the SIO staff. The first, as the Minister said, relates to the conditions under which the coverage of the VPSA

may continue for staff members who remain in the employ of the eventual purchaser. There was some debate as to whether the cut-off point of twelve years of service and 42 years of age was fair. I took the view, as did the coalition, that irrespective of where we put that cut-off point there will be some employees who just fail to meet it and, therefore, they may believe they are unjustly treated by it.

The second issue concerned the question of conciliation. In the second-reading debate I made it clear that the coalition is sympathetic to the view being expressed by staff, but in the real world we cannot guarantee the passage of any amendment to the proposed legislation. It seems to be inappropriate for the coalition to be making as a condition an amendment that would put the Bill at risk.

I made the point that if we wanted to look for some justification for saying no to the Bill, we would not need to resort to an issue that related to the terms and conditions of continuing staff. We could have made that decision on something much more basic. We had the dilemma that if we say to the government now that we require this amendment to be carried as a condition of our support we may well finish up with the Bill falling between the two Houses.

We are not prepared to do that and, on that basis, I must take into account the Minister's explanation to the Committee as to why the government is not prepared to accept the amendment and must announce that the coalition cannot support it, either.

Hon. R. A. MACKENZIE (Geelong) — I listened with interest to Mr Hallam explaining the dilemma with which he is faced, and I appreciate what he said. I fail to understand why the government will not support the amendment because it puts the issue beyond a shadow of a doubt. It is all very well to have assurances and discussions behind closed doors with the VPSA, but I am talking not only about the VPSA but also staff members. It may be all right for VPSA officers to be arguing the case on behalf of their members, but I am talking about staff. I believe the government owes it to them for a number of reasons.

First, in any situation such as this there is a dramatic change in the organisation where many people have worked for a number of years. Even if the organisation were just changing into another form of public ownership there would be a lot of disquiet. I have been associated with changes in government

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departments and know what I am talking about. There is an enormous amount of disquiet and drop in morale when such changes occur. People become extremely concerned about their future. People feel vulnerable. It is important that the amendment be written into the Act. If it is not, staff members will have no redress except through the Supreme Court to settle any differences they have.

Surely the government prides itself on standing up not only on behalf of workers rights generally but also on behalf of those who work for the government itself. The government owes it to them. I cannot accept the assurances by the Minister; I do not think they are good enough so far as the staff is concerned. Will the Minister reconsider giving those assurances and providing that protection for the staff? I ask the Minister to support the amendment.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — For a matter to go before the Industrial Relations Commission a dispute must take place. If an industrial dispute occurs after the sale of the State Insurance Office, it may well be that the Industrial Relations Commission will see fit to deal with it in either the conciliation or arbitration process, as would occur in relation to any industrial dispute, but a dispute has to occur first.

If that situation should occur it may well be that the Finance Sector Union rather than the Victorian Public Service Association will be the union called to handle the matter and recognised before the commission. The VPSA may not have the coverage after the sale of what the commission sees as the jurisdiction, hence the government has said that there may be a circumstance after the sale where an ambiguous setting is created for an employee who is then working in a private sector organisation but has the right of return to the public sector. The government would prefer to work cooperatively through that rather than pre-empt it with an amendment which may not assist the capacity of the VPSA to assist its members after the sale of the SIO.

It is by no means clear that it will be recognised as a consequence of the amendment or as a consequence of the existing industrial relations environment in a dispute before the Industrial Relations Commission. The Finance Sector Union may be the union that is called. Therefore the most appropriate step is to recognise that individual employees in the new organisation who have retained a right to be re-employed in the public sector can exercise that right after three months and any time up to two

years after the sale; and that matter needs to be worked through and resolved, as the Treasurer has agreed at this time, in conjunction with the new owners. The government looks forward to doing that in that context.

The government is essentially saying that for two substantial reasons the effect of the proposed amendment is meaningless, and it is not appropriate that the amendment be given support.

Hon. R. A. MACKENZIE (Geelong) — I thank the Minister for putting forward that view, even though I do not agree with him. I ask for assurances from the Minister that, when the agreement is drawn up with the new purchaser, every endeavour will be made to protect the rights of the staff under that agreement. If that is not put into legislation, can the Minister assure me that every effort will be made to protect the staff and their future when the agreement with the purchaser is drawn up?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — If the Committee decides, as is likely, and Mr Mackenzie does not have sufficient support, I am more than happy to reaffirm that assurance that the government looks forward to working with the VPSA to resolve the terms and conditions of employment issues with the prospective purchaser. That will be a matter of interest to all members, who will also have the opportunity of raising issues during the transfer to ensure that the assurance that I am giving on behalf of the government to the Committee will be upheld. I look forward to working with the honourable member on that matter.

Amendment negatived; clause postponed.

Clause 11 agreed to.

Progress reported.

Suggested amendment and amendments reported to House.

Report adopted.

Ordered to be returned to Assembly with message intimating decision of House.

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VICTORIAN DEBT RETIREMENT FUND (AMENDMENT) BILL

Second reading

Debate resumed from 9 October; motion of Hon. D. R. WHITE (Minister for Manufacturing and Industry Development).

Hon. R. M. HALLAM (Western) — The Bill implements an announcement contained in the 1991-92 State Budget. The Treasurer said, among other things:

I will introduce special legislation to expand the role of the VDRA to enable it to provide essential advice to the government about the non-Budget sector and State liabilities in general, including superannuation.

This will ensure greater efficiencies and further streamline our debt management process.

The Bill is not opposed by the coalition on the simple ground that the government is in need of advice on debt management. Of that there can be no doubt. The Bill is not greeted with any particular enthusiasm because we are not fooled by the government's rhetoric regarding debt management and debt retirement.

For some time the government has been trumpeting its debt management strategy; it has been paying lip-service to the needs of addressing the burgeoning State debt. The facts remain and they are stark for all to see. Debt levels continue to blow out, no matter what protestations the government puts up.

The sad legacy of Labor governments in Victoria continues to grow. I suppose we should be grateful that the government has at long last acknowledged that Victoria has a debt problem. For many years under the Cain-Kirner governments all claims that debt was a concern were emphatically denied — the message we kept getting from the government ranks was that we did not have a problem.

Despite all the claims of the government about debt being under control and the rate of debt retirement, the only thing this Bill demonstrates is that the Victorian public debt is out of control. That very sad fact has again been highlighted by the Auditor-General. In his report to the House based on the 1990-91 financial year the Auditor-General stated that Budget sector debt went up by \$5.5 billion in that year alone — an absolutely stunning increase from \$32.6 billion to \$38.1 billion.

Mr White has promised the House that honourable members can expect to see a response to the Auditor-General's report and the incredible range of criticisms directed at the government. I cannot wait to hear the government's formal response to the claim that Budget sector debt has blown out by \$5.5 billion while government members continue to claim that the debt is under control.

The whole issue of debt management is an abject failure, despite the efforts of the Victorian Debt Retirement Authority and the announcement of yet another rearrangement of our debt management agencies. The cruel fact is that Victoria's debt continues to grow in real terms and its service costs continue to consume an increasing share of the State's revenue dollar. I will say more about that later.

This Bill represents the classic case of rearranging the deck chairs on a sinking ship. The Bill expands the authority of the Victorian Debt Retirement Authority to allow it to provide advice to the Treasurer on State liabilities as distinct from debt. The opposition has no objection to that objective but sees it as another step in the smokescreen process, an attempt at camouflaging the abysmal performance of the government.

About the only aspect of the Bill that prompts any reaction at all from the opposition is the grandiose commentary that accompanies it. We are told of an expectation of greater efficiency and of further streamlining of the debt management process. If it were not so sad it would be incredibly funny. The pathos of the situation confronting us is extraordinary.

I give Mr Roper, the Treasurer in another place, points for black humour: he has more front than Myers, he can trot out all this type of dialogue and seems impervious to criticism. I am not sure where he has been living for the past five years. He has switched off from reality.

The Treasurer now says the Bill is supportable because it will enable the provision of further advice on liabilities. I wonder whose advice he has been relying on until now; whether the new source of advice will represent a shift in policy; and whether, if it does represent a shift in policy, he will heed it in any case. He has either not been listening to the advice he has received in the past or he has received the worst advice on record. It is a cruel joke.

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I turn to the reality rather than the rhetoric and refer again to table 5.5, which appears at page 78 of Budget Paper No. 2. That table spells out the government's estimate of the net debt in the Victorian Budget sector. I repeat that this is the Budget sector alone and does not include the major statutory authorities in the State.

The government's figures as set out in the table suggest that the Budget sector debt at the end of June this year — I admit it is a preliminary figure — was \$15.638 billion and it is expected that at the end of June next year it will have expanded to \$16.835 billion, an increase of almost 8 per cent. A government that keeps talking about retiring debt and trumpets what a great job the Victorian Debt Retirement Authority is doing in the same context admits that based on its own projections the Budget sector debt is expected to increase by almost 8 per cent in the current year. There must be some fearsome qualifications of the presumption that the predictions are accurate which underpins the document. The government's record in that regard is absolutely incredible.

Hon. R. J. Long — It is woeful.

Hon. R. M. HALLAM — It is absolutely woeful. The same table last year estimated the debt figure at the end of June 1991 to be \$14.331 billion; in other words, the government predicted that it would be \$1307 million less than it now says it turned out to be — it did not get within \$1300 million of a prediction that went only about ten months into the future.

If the government and the departments that support it cannot get to within \$1300 million of the net debt in the Budget sector alone when they are looking ahead only to the end of the current financial year, they should retire in absolute shame. That is a dreadful report.

Hon. R. J. Long — It is a disgrace.

Hon. R. M. HALLAM — I agree wholeheartedly that it is an absolute disgrace. The same chart looks at the total public sector debt and not just the Budget sector debt. The figures I have just given were for the Budget sector only.

The total public sector debt is expected to go up from \$28.329 billion to \$29.911 billion, an increase of 5.6 per cent. The figure recorded for June is \$1141 million more than was predicted in the same chart just twelve months ago. In addition the chart

confirms that the State debt has consistently grown in real terms since 1989.

The government cannot even gain any consolation from a comparison with non-farm gross domestic product (NFGDP). In the past it was usual for us to get a comparison with NFGDP that happened to show the debt in the best possible light. Now even in that context the table provided in the Budget documents shows that the dimension of the debt is blowing out in real terms and against NFGDP.

The debt now represents 29.1 per cent of Victorian non-farm gross domestic product. It is extraordinary. On that basis the coalition must conclude that debt management is a figment of the government's imagination and that the concept of management and control is a mess.

I turn now to the most appropriate measure for assessing debt, the service cost of debt. I refer to what Victorians were told in the much publicised June statement of the Premier and quote directly from the statement:

The debt service ratio (ratio of interest paid to revenue and current grants received) has risen for the Victorian Budget sector from 11.8 per cent in 1982-83 to an estimated 15.7 per cent in 1990-91.

If that is read in conjunction with the Budget documents we learn that the government expects that that comparison will go to 16.3 per cent at the end of this financial year.

I have two fundamental qualifications to the claim made for debt servicing, apart from the fact that the Budget speech puts the debt servicing ratio at 17 per cent. I am not sure where the Treasurer got that figure from because it does not coincide with what the Premier said and is not consistent with the figures outlined in other parts of the Budget.

My first reservation is that using the ratio of revenue and current grants is questionable. If current grants are included, the process is being doctored. The State has no control over grants. It goes cap in hand to the Commonwealth government and all the toing and froing of the Premiers is directed at that precise problem. The State has no control over funds given by the Commonwealth, and on that basis alone the revenue raised directly from Victorian taxpayers is a better basis for comparison and gives a more balanced comparison of relative performances.

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I have done computations based on the interest disclosed in the Budget documents compared with State revenue. In 1990-91 the interest raised directly from Victorian taxpayers as declared in the Budget documents, compared with what the documents say is revenue, is 25.4 per cent. Using the same comparison for the current year the government expects that figure to increase to 26.4 per cent. It is much worse if one uses a fairer basis of comparison, true revenue.

However, there is another trick. The government consistently uses interest paid as distinct from interest incurred. I have raised this issue in this Chamber on many occasions and I have demonstrated how the true cost of interest is manipulated by the government. I included in *Hansard* during the Budget debate a chart that reveals the extent of that deferral. The chart reveals that if the extent of the deferral of interest is taken into account as indicated in the Budget documents the interest was effectively understated by \$202 million in 1990-91 and the current Budget has built into it a further understatement of interest of \$174 million. That is no longer disputed because it is drawn directly from a chart the government now includes in the Budget documents, after considerable agitation on our part.

There is no dispute as to the dimension of the deferral of interest payments. If the deferrals are added to the disclosed interest the true cost of debt servicing is discovered and the outcome is even more lamentable. In 1990-91 interest actually incurred as a percentage of State revenue was 28.7 per cent. In the current financial year that has increased to 29 per cent. Victoria now requires 29 cents in every dollar it raises from its taxpayers just to pay the interest on the debt it has incurred. These figures are drawn from the Budget documents and are based not on my estimates but on the government's own predictions.

I want a member of the government to challenge the computations I have given. There is no argument that the interest payment should include that which has been artificially deferred and there is no justification for including capital grants derived from the Commonwealth government other than to make the picture look brighter.

It is against that background that the government apparently expects the coalition to be consoled by the announcement that the Victorian Debt Retirement Authority has new powers and can advise the Treasurer on a broader range of issues.

That is not a big deal. It is prompted more by public relations than the practical effects ostensibly underpinning the legislation.

I am not impressed with the Victorian Debt Retirement Authority. It did not win me when it was first established and it has done nothing to win me since. The Budget passed by Parliament is based on an anticipated increase in net debt of almost \$1197 million. Government members want to talk about debt retirement as some bold new initiative, yet net debt has increased to almost \$1200 million. It is extraordinary and arrant nonsense. Notwithstanding what the Victorian Debt Retirement Authority is up to, debt is incurred at a rate much faster than it is retired.

It is also clear that debt retirement has been reliant entirely upon the sale of Victorian public assets. The authority has been back-doored since it was established. It has been a public relations exercise, and a very poor one at that.

The second issue I raise is the claim that was contained in the Treasurer's Budget speech that the Victorian Debt Retirement Authority (VDRA) had already retired almost \$1 billion of debt, and the Treasurer assured us that the next round of debt retirement would involve a further \$220 million.

Hon. R. J. Long — What a roort this is!

Hon. R. M. HALLAM — Let me refer to the first point, that the authority had retired almost \$1 billion of debt. I am intrigued that no-one in the government seems to have been embarrassed to any degree about that claim, because it is absolutely extraordinary. There are two components in that \$1000 million, or \$1 billion, now claimed to be retired and they are mentioned in detail in the Victorian Debt Retirement Authority's first annual report; so I can confirm that my criticisms stand, notwithstanding the fact that I have referred to the formal report.

Some \$413 million of that claimed debt retirement was debt due to the Commonwealth which was forgone as part of the deal in the sale of State Bank Victoria. It was no secret at the time. It was part of the deal; it was part of the price. And yet this government and the VDRA are claiming that they should get the credit for the debt retirement. They never even saw the \$413 million, or, if they did, it was a cheque passed to them during the night and passed on the next day.

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It was debt forgiven by the Commonwealth as part of the State Bank deal, and a further \$576 million is debt again relating to the State Bank which was also expunged by the sale. It is an absolutely ridiculous, fanciful and misleading claim to suggest that the Victorian Debt Retirement Authority has done anything, much less retired almost \$1 billion of debt.

I have a memory and I recall that the previous Budget suggested that \$100 million would be allocated directly to debt retirement. What happened to that? Nothing happened; it did not eventuate. The only debt retirement that the VDRA has been able to claim is this specious debt retirement associated with the ill-fated State Bank sale, and the \$100 million was lost in the wash — its allocation to debt retirement did not eventuate — and I suspect exactly the same thing will happen to the \$220 million.

I will not believe the government is retiring debt until I actually see it with my own eyes. I do not believe debt will be retired to the extent of \$220 million. I think the government will just change the plans again, and on that basis I am less than enthusiastic about this Bill.

The nonsense of the whole issue in respect of debt management — and I use the word “management” advisedly — is illustrated by the construction of the Budget itself. The fact is, as disclosed by the Budget documents, that the Budget was framed to include \$1494 million of borrowings.

I say again, as I have said in this House before: I believe that deliberately and dramatically understates the true dimension of the deficit. I have said before in this House, and I stand by the statement, that I believe the true deficit is close to \$2.2 billion. I am intrigued that after that challenge was levelled at the government not one member put his head up; no member of the government or the Treasury has challenged anything I said in that debate when I suggested the deficit was \$2.2 billion.

But even if we accept the government's figures for the purposes of this debate, the fact remains that the government concedes the Budget is based on a deficit. That is not denied. According to the government the only debate we have is about the dimension of that deficit. The simple logic is that a deficit of any dimension has to add to borrowings and ultimately to net debt. That is a simple truism; no-one can dispute it. Therefore if the Budget is based on the concept of a deficit, all the talk about

debt retirement and debt management is just a lot of hot air. It is just window-dressing.

It is a very poor public relations exercise, and I must say that I resent it. The Budget documents are not meant to be a public relations exercise. They are meant to be a report to the Victorian taxpayers. This Bill highlights the extent to which that fundamental principle has again been circumvented. This is more trickery and more chicanery. The fact remains — and it is fact — that, irrespective of how heroic the Victorian Debt Retirement Authority might be in its efforts to reduce debt, the government expects that net debt in the State will increase.

To add insult to injury, if that is not bad enough, I then went back and read the June economic statement again. I came across a little gem that I shall quote directly. The Premier of this State said in a formal pronouncement:

The program for reducing the State debt will be delivered through:

elimination of the deficit in the Cash Management Account over five years through staged annual reductions;

That was in June. My question to the Premier is: when will these staged annual reductions commence? They did not commence last year. Perhaps we should expect that they will commence this year, 1991-92; that is a fair enough conclusion to be drawn from that statement.

In the chart that I incorporated in *Hansard* on Tuesday, 1 October, I demonstrated that at some time after the Premier made that statement the government expected that in the current year \$786 million was to be raided from the Cash Management Account. That is the highest level on record, and it is the first time to my knowledge that any government has had the temerity to actually plan a raid on the cash reserves of the State. That is extraordinary. At the same time that the Premier keeps talking about the elimination of the deficit, her Treasurer is actually announcing a greater than ever raid of \$786 million which is built into the Budget this year. That compares with \$204 million last year, a deficit of \$432 million the year before that, and \$116 million the year before that.

It is interesting to note just on that point alone that the Cash Management Account was never designed to be other than that which the name implies; it was meant to be a short-term suspense account. It was meant to be an account where cash balances were

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deposited as they became available through the current course of the year, and it was intended that the centralisation of those balances would allow the Treasury to maximise the yield on those short-term balances. That was all it was ever designed for.

Hon. R. J. Long — It was never intended to be overdrawn!

Hon. R. M. HALLAM — It was never intended for some raiding operation! I wonder where the funds have come from? Over each of the past four years the draw-down has been \$116 million, \$432 million, \$204 million and \$786 million, and well over \$1 billion has been drawn out of the Cash Management Account over that period. Where do those funds come from? It is another charade, smokescreen or camouflage that warrants investigation.

The Premier stated that the deficit would be eliminated, but the Cash Management Account heightens my fear as to what is taking place. The concept of debt retirement and the debt management strategy is dependent upon nothing more sophisticated than the sale of public assets. They do not come from taxes and charges that have been raised or from a reduction in expenditure. The government has not learned to live within its means. This is not some bold new management strategy.

I question the extent to which debt has been retired. It has been entirely dependent upon massive sales of public assets. In the current year we were told that we can expect that public assets to the value of approximately \$500 million will go under the hammer. Parliament has just passed a Bill that provides for the sale of the State Insurance Office (SIO) but we were told in the Budget, again, that we can look forward to the sale of our pine plantations! I suspect that next year we can look forward to being told again that they are to be sold. We have been told that part of the strategy is the sale of the 35 per cent interest we hold in the Portland smelter. Again I wonder how many times that has been offered for sale. I suspect the only reason the government did not include the sale of the World Trade Centre — which is a matter that Mr Baxter deals with in his shadow portfolio — is that it was too embarrassed to do so because it has been nominated for sale during the past three years of which I am aware.

The bottom line is that public sector debt is expected to increase notwithstanding the fact that further assets will be flogged off specifically and ostensibly to repatriate debt. We must remember that the

current debt position hides the harsh truth that we have already sold our best asset, State Bank Victoria, for a questionable yield. The net return to the taxpayers of the State was challenged by the Auditor-General and that relates to the question mark I raised a moment ago regarding the Victorian Debt Retirement Authority.

The Auditor-General said that the taxpayers of Victoria received a little over \$800 million from the sale of our best and most valuable asset. At this rate we face the prospect of eventually selling all our assets but still being locked in beyond our capacity to service the remaining debt. After all this, including the humiliation of having to sell the State Bank and the SIO, the government still has not grasped the fact that we are not living within our means.

The government is still plundering our asset base to prop up the burgeoning expenditure program. Worse still, it is closing off our options. Mr Lawson mentioned this fact a few moments ago in the context of the SIO. He asked when would we get to the critical mass. We have reached the stage where we are borrowing to pay interest on earlier debt. There is no doubt about that, and the Auditor-General nailed it down precisely. We have now reached the stage of kite flying. We are borrowing to stave off the evil day. I, like Mr Lawson, wonder when we will reach the stage when we can no longer continue. That is a fearful legacy to leave to Victorians.

The government is making the task of recovery an absolute nightmare for Victorians, let alone the incoming government, which must clean up the mess. The coalition is not in the least impressed by the concept of debt management as defined by the government. It is an absolute disaster. It therefore follows that we are not impressed by the initiative in the Bill, but I also have to say that we do not expect anything to flow from the Bill. We do not expect any real effect and so we will not be disappointed. On those grounds we will let the Bill pass.

The Victorian Debt Retirement Authority can now give broader management advice to the Treasurer and we hope he will listen. We hope he will take more notice of the authority than he has of the advice that has come from across the Chamber because that advice has been consistent for at least the period I have been in this place. The government cannot say that the current position in respect of debt was not predictable.

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It is a sad state of affairs and on the basis that the advice extended can do no harm, the coalition is prepared not to oppose the Bill.

Hon. R. J. LONG (Gippsland) — I rise simply to support the view expressed by Mr Hallam. The original Bill was passed last year and this amendment is a cruel joke inflicted on the people of Victoria by the government. I use those words with a lot of forethought; I really mean them!

During the past twelve months there has been a lot of talk about the problem the government has led the State into. In August 1990 it sold State Bank Victoria. Following that the government introduced the Victorian Debt Retirement Fund Bill, which received Royal assent in December 1990. The sole purpose of the Bill was to give the people of Victoria the impression that the government was interested in debt retirement. All the government was able to say was that it was doing something about debt retirement. I remind honourable members that the Bill provided that the authority must, before a date to be fixed by the Treasurer each year, submit to the Treasurer for his approval a statement of the debt retirement strategy for the year.

The Bill adds section 8A to the Act, and provides:

The Authority may make submissions or recommendations or give advice to the Treasurer on the State debt or on any liabilities of the State.

This Bill is completely unnecessary because if the authority has to submit a debt retirement strategy to the Treasurer for his approval, surely it would have dealt with the advice to the Treasurer on State debt or any other liabilities of the State.

Be that as it may, the Bill will not be opposed by the opposition. However what Mr Hallam has said is true: the government has no idea about debt. I agree that the government is living beyond its means.

Mr Hallam properly referred to the Treasurer's statement and said that the government had already retired almost \$1 billion, and he referred to the annual report, which discloses that \$413 000 of the \$1 billion was a sleight of hand. The Treasurer did not retire anything like that. It is trickery of the first order and is something that should not be expected from the Treasurer of this State.

As Mr Hallam has said, the House has recently dealt with the sale of the State Insurance Office. Earlier

this year Victoria sold State Bank Victoria, and now the SIO is to be sold. Where will it all stop?

I reiterate that despite what the Treasurer has said in the Budget, that he has supposedly retired \$1 billion of State debt, as the Auditor-General has said the Budget sector debt rose by \$5.5 billion. If the Treasurer is correct in what he has said, Victoria has actually increased its debt by \$6.5 billion — a lot of money!

When I think of \$6.5 billion I think we should be able to see something for it — but we see nothing. The money has been squandered and it will continue to be squandered in Victoria while the government remains in office.

I add my protest about the conduct of the government. It has no idea about finance. When it came to office the State debt was about \$11 billion; according to the Auditor-General, the Budget sector debt at 30 June 1991 was \$38.1 billion with a non-Budget sector net debt of \$12.8 billion. The debt rose from \$11 billion in 1982 to \$50 billion. It is outrageous! I am certain that 99 per cent of Victorians do not understand how serious the situation is.

Hon. R. M. Hallam — Ninety-nine per cent on that side do not understand it.

Hon. R. J. LONG — Correct. If we can get the message through, I am certain the government will disappear overnight.

Motion agreed to.

Read second time.

Passed remaining stages.

EMERGENCY SERVICES SUPERANNUATION (MFBSF TRANSFER) BILL

Second reading

Debate resumed from 23 October; motion of Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs).

Hon. R. M. HALLAM (Western) — The primary purpose and effect of this Bill is to wind up the Metropolitan Fire Brigades Superannuation Fund by merging it with the Emergency Services Superannuation Scheme. The Bill appears to be

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relatively straightforward; it is a practical arrangement and the coalition will not oppose its passage.

When the Emergency Services Superannuation Scheme was established in 1986 the firefighters employed by the Metropolitan Fire Brigades Board were extended the option of transferring their superannuation to the new scheme. Virtually all serving officers have done so.

The second-reading notes disclose that only six MFB employees remain in the MFB scheme. I am unclear how that has happened, but the six remaining members have continued in that scheme despite the best efforts to persuade them about the merits of a transfer. They do so despite the safety of the coverage provided in a large fund and they do so notwithstanding the fact that safety is provided in the emergency services scheme in that it specifically provides for a standing appropriation against the Consolidated Fund for any shortfall on benefits due.

I cannot understand why the remaining members have resolved not to transfer but I do not question their motivation — it is their choice. I cannot understand the basis on which they chose to remain in the old scheme.

In any event, the legislative merger of the old scheme into the new scheme achieves the same effect as though each had transferred. The Bill simply states that the remaining members are “deemed” to have elected to transfer.

The Bill is constructed in such a way that the 400 pensioners currently receiving benefits from the Metropolitan Fire Brigades Superannuation Fund will be protected, and that is important.

It also has been constructed to ensure that those who qualify for benefits in the future will certainly not be disadvantaged. On that basis the coalition believes the merger makes very good sense.

In the first place it overcomes the extent to which the administration is currently being duplicated, and I suspect that some savings at least can be achieved as a result. But there is a special bonus arising as a result of the merger: it transpires that the old fund, the Metropolitan Fire Brigades Superannuation Fund, has current pension exemptions which are substantially greater than 100 per cent, and that can be equated with a potential tax saving.

Indeed we are now advised that those tax savings can be employed in the merged structure, and the accountants to the fund have documented the likely savings. It is anticipated that those tax savings will reduce the projected tax liability of the merged fund from \$600 000 back to just \$30 000. Effectively that means a one-time saving of about \$570 000, which is achievable, presumably, in the year of merger. That is just a bonus. I presume it was not the tax saving that drove the merger negotiations.

The Metropolitan Fire Brigades Superannuation Act provides for special contributions to cover any unfunded liabilities in the fund, and they were to be drawn in the proportion of one-third from the Metropolitan Fire Brigades Board and two-thirds from the Consolidated Fund.

It just so happens that the tax saving that I outlined — in the vicinity of \$570 000 — will allow the payments due under this special contribution for the current year to be held to the level of previous years; in other words, about \$1.5 million by way of special contribution from the Metropolitan Fire Brigades Board and \$3 million from the Consolidated Fund. That is the effect of the merger in the short term.

Some other minor matters are covered by the Bill and the first is that the Emergency Services Superannuation Board includes representation from the various emergency services. That was the way it was constructed at the time of its inception in 1986.

In other words, the serving officers from the Police Force and from the fire services and so on are to be represented on the board itself. One of the conditions established at the time of the scheme's inception was that where 500 members were not directly represented on the board under the description I have just given — namely, serving police officers or firefighters — the board would be increased from a membership of six to a membership of eight with the specific provision that one of the extra members would come from the unrepresented sector.

As I outlined, we had a numerical qualification of 500 and, under the terms of the Bill, that numerical qualification is replaced with a percentage qualification, so that the trigger mechanism now becomes 10 per cent of the members covered by the superannuation scheme. That is a practical change because it takes into account any expansion in coverage of the scheme.

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In addition the Borrowing and Investment Powers Act is amended to accommodate the change, and the Bill provides for the repeal of the Metropolitan Fire Brigades Superannuation Act of 1986, thus completing the housekeeping aspects of the merger.

The Bill and the merger for which it provides are practical and reasonable, and on that basis I confirm that the Bill's passage will not be opposed.

Motion agreed to.

Read second time.

Passed remaining stages.

CRIMES (YEAR AND A DAY RULE) BILL

Second reading

Debate resumed from 31 October; motion of Hon. M. A. LYSTER (Minister for Health).

The PRESIDENT — Order! Before I call Mr Guest, I ask him whether he has anything to say in relation to the matter I raised at the time of the adjournment of the debate on the Bill.

Hon. J. V. C. GUEST (Monash) — Mr President, I have nothing to say in relation to your seeking the assistance of the opposition spokesman on the matter. I apologise because I have not given attention to the matter, but as the opposition has no difficulty in allowing the Bill to pass I do not think it is a matter on which I especially wish to address the Chair.

The PRESIDENT — Order! I propose, therefore, to make a formal ruling. Inspection of the Bill indicates that it is identical with a provision which the House negatived in June last. Prima facie, therefore, as June is still part of the current session, the Bill appears to offend the same-question rule appearing in Standing Order No. 99.

However, a clear practice of the Westminster system and of this House must be regarded. The Presiding Officer is required to look not just at the decision on the record but at the real decision made by the House. Frequently when a Bill has been rejected because a certain report has not been obtained, the subsequent Bill after the obtaining of such a report has been held not to offend against the same-question rule.

We had an example only today of a Bill that dealt with the identical subject matter of a Bill rejected last sessional period, the State Insurance Office Bill. Only one clause was added but the added clause met the objections raised by the opposition to the Bill on the previous occasion. It would have been ludicrous not to allow that Bill to proceed.

I recall a similar occasion in 1983 when the then President, Mr Grimwade, found that, prima facie, there was a breach of the same-question rule in relation to an industrial relations Bill that had been previously rejected. However there had been small amendments, but they were amendments that were significant from the opposition's point of view because they met all the objections raised on the previous occasion.

Where that is done and where a report is obtained to meet an objection raised, it has not been normal practice to apply the same-question rule.

In this case, when the Bill was dealt with in June Mr Guest said that the opposition opposed the Bill "at this stage". The reason he gave for his opposition to the Bill at that stage was that the Law Reform Commission was examining the very question raised by the Bill and that it was premature to proceed with the Bill before the report became available.

That report has now become available. In retrospect when we look at what occurred we find that the opposition refused to consider the measure in the absence of that report. That was the real and effective decision of this House. The report is now available. The condition placed by the opposition on consideration of the issue has therefore been met and I rule that the same question does not arise in this case.

However, I ask Ministers, whenever raising measures which have previously been considered, to show in detail in the second-reading speech the way in which any preconditions given as a result of the previous rejection have been met.

Hon. J. V. C. GUEST (Monash) — I am sorry I had overlooked the possibility of my being able to give assistance, Mr President, and had not adverted to the question but, of course, the statement of the facts which you have made is, so far as the attitude of the opposition and its reasons for opposing the Bill previously are concerned, perfectly correct.

The present law of homicide includes the 600-year-old common-law rule that no charge for

murder or manslaughter can succeed if the death does not occur within a year and a day of the act causing the death. It appears that the practical and sound logical reason for that rule was that the problem of causation could not be reliably solved under the conditions of criminal litigation and forensic medicine until recent years.

It should also be said that there are probably few, if any, causes of death comparable to AIDS or the adventitious infections which usually cause the death of AIDS victims and where there might indeed have been some parallel in conditions such as syphilis or possibly tuberculosis where the means of proof were completely lacking.

There have been few new arguments advanced on either side of the case for or against abolishing the year-and-a-day rule and they have all been well rehearsed. I shall begin with one argument for repealing the year-and-a-day rule which I have not heard mentioned anywhere. It occurs to me that there is a kind of justice in maintaining uncertainty about the result of this action in the case of a person who, for instance, deliberately attempts to infect another with the HIV virus. The person subjected to that unlawful act must suffer years of tortured uncertainty about the result of the action taken. Based on a somewhat Old Testament approach to morality, it may be to some extent appropriate that the person who commits the unlawful act should suffer equal uncertainty about the outcome. There are obviously other cases in which a doubt exists about the consequence of an unlawful act which may or may not have been prosecuted within a short time after its commission and where subsequently a death may be regarded as having been caused by that unlawful act or series of acts, but undoubtedly the most likely case to lead to the kind of intention that is a necessary precondition for a prosecution is the case of deliberate infection of another person with a fatal disease. These days there are not many diseases that one would describe as fatal in the sense that they are invariably or almost invariably fatal. If one is speaking of infectious diseases it may be that AIDS and its consequences are virtually unique.

The reasons generally advanced for and against the repeal of the year-and-a-day rule are contained in recommendation 37 on page 121 of report No. 40 of the Law Reform Commission of Victoria entitled *Homicide*. The reasons for and against are contained in paragraphs 276, 277 and 278. The reasons for the abolition are basically the anachronistic nature of a rule largely based on the inadequacies of forensic science in the past and because of the new

circumstance of death caused by deliberate infection with HIV. Once all one had to consider was the possibility of a charge of manslaughter, the negligent causing of injury and ultimately death by, for example, asbestosis.

One is perhaps more used to hearing of the use of manslaughter charges or the equivalent in other systems of law when one reads that a Yugoslav air traffic controller has been charged with culpable homicide of some kind when an aircraft has crashed than one is of hearing of similar charges in the common-law world, but there is no doubt that manslaughter charges could be brought in quite a number of cases where they are not customarily brought in our system of law.

One example implicit in the Law Reform Commission's report is the case of asbestosis, which one might suppose is not one the commission had in mind as resulting from the deliberate infliction of an injury and therefore leading to a murder charge but rather a negligent cause of injury leading to a manslaughter charge.

The argument for the abolition of the rule continues that it is unjust that a person who would otherwise be charged and found guilty of the offence of murder or manslaughter should escape because of the arbitrary operation of the year-and-a-day rule, and that seems undeniable.

The general arguments against the abolition of the rule are based on the notion that it would be unjust to charge a person with murder or manslaughter many years after the act causing death. That is not a consideration when dealing with alleged war criminals, nor is it a consideration when a murderer is discovered many years after the act.

There is no bar on prosecutions for murder or manslaughter in cases where the discovery of the offender is delayed for many years, where the evidence does not become available for many years or where there has been an illegitimate cover-up of the circumstances for many years.

If one looks beyond cases of murder or manslaughter, which no doubt were once marked by the remnants of a severe penal system, to other offences that are punishable by long terms of imprisonment — offences relating to corruption or bribery — no-one would suggest that because a cover-up has occurred over many years such offences should not be prosecuted.

One is able to make an argument for justice based on considerations of the passage of time, given the possibility of discretion being exercised by the prosecutor, who is now independent, and the power of the courts to prevent an abuse of process and to adjust the length of sentences.

I concur with all of the matters raised by the Law Reform Commission, which have been canvassed at length. Although the commission is concerned about the possibility of offenders being exposed to double jeopardy, under our legal system there can be no such cases. A person who is acquitted of an offence cannot be charged with the same offence, although he or she can be charged with a different offence arising from the same act. In other words, at present it is possible that someone who is charged with assault in January can be charged with murder in December.

That is not seen as a source of injustice in itself; and again, discretion can be exercised by both the prosecutor and the court. It would be not only improbable but also appealable if, after finding guilty of murder a person who had been convicted for a lesser offence arising from the same act, a court did not take into account the sentence for the original offence. After all, it is not as though mandatory hanging would result from a conviction for manslaughter.

The abolition of the year-and-a-day rule will not prevent discretion being exercised in an attempt to ensure that notions of justice prevail.

At present the rule ensures that there is an acceptable but not necessarily just rule applying across the board; but that, of itself, is not justice, although it may fit our very proper sense that unnecessary punishment or unnecessary prosecution is undesirable and that delays in prosecution are not particularly valuable.

Deterrence is best effected by the detection and early charging of offenders rather than by a concentration on punishment. And an important element of the pattern of deterrence is to ensure that the law is not seen to rest merely because time has passed, particularly in cases of serious offences that have serious consequences for others or where the offender has benefited from the commission of the offence. Justice must be done, no matter that it takes years to do so.

The passage of time also makes it more difficult to effect justice and effectively to prosecute people,

because although new evidence may have been discovered memories can be dimmed, evidence may be lost and recollections of witnesses may be doubted by juries. Those elements mean that perfect justice is unlikely to be achieved. But we must do our best to create the circumstances that allow the police, the prosecutor and the court to do the best they can.

It is the view of the coalition, supported by the Law Reform Commission, which has published a predictable and uncontroversial report, that justice will be better served by the abolition of the year-and-a-day rule.

I am sorry that the Bill does not afford an opportunity to punish the Attorney-General for his behaviour. The Attorney sought the cooperation of all members of Parliament in the common task of reforming the law and establishing the circumstances to ensure that justice is done. But he has, not uncharacteristically, proceeded with the Crimes (Year and a Day Rule) Bill despite the coalition's making it perfectly clear that although it was sympathetic to the objectives of the Crimes Legislation (Miscellaneous Amendments) Bill that was passed earlier this year it wished to await the publication of the deliberations of the government's appointed experts before considering the Bill.

Despite the protests of the shadow Minister, the Attorney-General not only introduced the Bill but forced it through the other place only one day before the report of the Law Reform Commission was tabled in the House, as he knew it would be.

Nevertheless the coalition has behaved with the utmost responsibility and, in support of the balance of advantage, will support the passage of the Bill. But we point out to members of the government that they need to do something about the approach of the Attorney-General to the subject of law reform and the consideration by Parliament of legislation.

Motion agreed to.

Read second time.

Passed remaining stages.

PORTARLINGTON LAND BILL

Introduction and first reading

Received from Assembly

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Read first time for Hon. B. T. PULLEN (Minister for Education and Training) on motion of Hon. M. A. Lyster.

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

That the House do now adjourn.

Upper Yarra Bush Nursing Hospital

Hon. M. T. TEHAN (Central Highlands) — I raise a matter for the Minister for Health concerning the Upper Yarra Bush Nursing Hospital at Yarra Junction. Comparatively speaking it is small, but as bush nursing hospitals go it is quite substantial, having 28 to 30 beds. It is in a remote area leading up to the valley, with Warburton at the top end and Lilydale at the bottom.

As the Minister will realise, the Lilydale hospital is a bush nursing hospital, as is the Yarra Junction hospital, and the hospital at Warburton is a private establishment. The Upper Yarra Bush Nursing Hospital services a population of approximately 17 500 people and that figure is expected to rise to more than 20 000 by the year 2000. The hospital fulfils a vital need because the nearest hospital, other than the one at Lilydale, is at Ringwood.

Because bush nursing hospitals are classified as private agencies they are not able to take public patients. I suggest that the Minister give serious consideration to a trial of contracting for that bush nursing hospital to make maternity beds available to the public. While the hospital at Yarra Junction has been able to treat many patients in the area, including maternity patients, because of "the recession we had to have", the number of people with private health insurance has decreased. Despite the best endeavours of the hospital and health funds to increase the number of people insured and therefore able to use the services of the hospital, so far it has not happened.

People in the Yarra Junction area do not have access to any hospital facilities if they are not insured. If expectant mothers in the area wish to have babies close to home, they must be insured. If they cannot afford it for some reason, including the recession, they are forced to travel a considerable distance to the Maroondah Hospital or to Healesville.

Hon. D. R. White — Your policy is to compel them to have insurance!

Hon. M. T. TEHAN — With the unavailability of public transport in the area people are seriously limited in their access. This hospital fills a public role by providing health services, but if the people are unable to use the facilities it will become non-viable and could well close. Then there will be no health services in the Yarra Junction area.

It is Liberal Party policy to encourage people into private health insurance. If they do not have it and if the facility is lost because the government is not able to enter into some arrangement to provide a public facility, those 17 500 people will not have access to any hospital whatsoever.

The Leader of the Government says it is the opposition's policy to encourage people into private health insurance. I agree. If we do not do so those people will not have access to a hospital. In the meantime, pending that policy being enacted at Federal and State levels with the change of governments, I ask the Minister to establish this trial and provide some facilities on a contractual basis to those people who are the sufferers of the recession in that they have no work, the sufferers of the government in that they have no transport and the sufferers of the government's lack of policies in that they do not have access to a hospital facility.

Having been spurred on by the interjection of the Leader of the Government I settle back to put a rational proposal to the Minister for her serious and immediate consideration.

Fifteen Mile Creek School Camp

Hon. D. M. EVANS (North Eastern) — I raise a matter for the Minister for Education and Training and refer him to the Fifteen Mile Creek School Camp, which is in a bushland setting in the small district of Myrrhee. For those who do not know where that is, it is half way between Benalla and Whitfield and not far from my farm at Moyhu.

I shall give a brief history of the camp. About twenty years ago there was a school on the site. The number of students decreased and eventually the school was closed. Visionary people, including the Lindsay family who live next door to the school and others, decided it was ideal for a school camp for primary schoolchildren, particularly from the adjacent towns and cities like Benalla and Wangaratta. They would have the opportunity of staying in a bushland

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setting and learning about the nature of their country and learning self-reliance and adventure skills.

The school building was retained and it has an excellent history. Some innovative people in the department and private industry did one of the best scrounging jobs I have ever heard of in order to provide additional facilities on the small school site. They now have a large number of buildings. I can assure the House that a couple of missing school buildings can be found there if one looks carefully. Even the way they transported them is interesting. Police who attempted to arrest the people during the move eventually decided to act as an escort between the place from where the buildings were purloined to their resting place on the Fifteen Mile Creek School Camp site. It was worthy of the Kelly gang that operated nearby 100 years ago! There is now a brilliant school camp on the site.

Until recently the bushland immediately adjacent was in private ownership. The owner, Mr Richard Kennedy, decided to sell the property. There was concern about the sale and the fact that access by the children who attended the camp — about 5000 visit it every year — might be denied. The Ministry, IBM Australia Ltd and the Victorian Conservation Trust, among others, were asked to assist. The Ministry provided \$10 000, IBM provided about \$10 000, and the trust, through the Ross Foundation, provided more than \$100 000 to purchase the land. It was handed over about six months ago.

The Victorian Conservation Trust is now attempting to buy a further area of land from Mr Kennedy's property to add to the existing site. It is a delightful natural area of virtually unspoiled bush with a creek running through it. I set the scene for a magnificent school camp site which 3000 kids visit each year.

However, it is now of concern that the position of the special discretionary needs teacher, which is essential to allow the camp to run and operate properly, is likely to be removed. I say to the Minister: do not destroy this place; do not destroy the initiative of twenty years; do not destroy the community involvement and the brilliant site simply because of the lack of one teacher's salary. I ask the Minister to investigate the matter.

Austral Services

Hon. ROSEMARY VARTY (Nunawading) — On a number of occasions I have raised with the Minister for Education and Training the payment of

subcontractors when the management team has gone into liquidation. The Minister has promised me he would give me details about the matter. I shall give the Minister details of a specific case relating to Walters Project Management and the painting of the Rowville Primary School.

I have been contacted by Austral Services, which is still owed some \$25 000 for its work. Some \$150 000 is being held for payment for work at the school. Mr Milton Reynolds from Austral Services understands that the Ministry of Education and Training must pay the outstanding moneys by one of either two ways: firstly, by paying it to the official liquidators; or, secondly, by paying it on a pro rata basis to the subcontractors who have done the work. I also understand that payment can be made directly to the subcontractors rather than the liquidator. That would ensure that the moneys from the project are issued to the people it is owed to and is not absorbed in other areas by the liquidator.

Austral Services is a small business and, like all small businesses, it is facing immense problems. The \$25 000 could make or break the company. In view of the fact that \$150 000 is currently being held I ask the Minister to resolve the issue. Austral Services wants to know one way or another whether it will get access to the money. If it does not, it will probably go into liquidation. That is incredible, especially when the money can be disbursed to subcontractors.

This is my third question about this matter and I ask the Minister to treat it as urgent.

Four-wheel drive vehicle levy

Hon. R. M. HALLAM (Western) — I direct to the attention of the Leader of the Government, who is the representative in this place of the Treasurer, the announcement as part of the 1991-92 Budget to impose a levy on some four-wheel drive vehicles specifically to finance the construction and maintenance of roads by the Department of Conservation and Environment in forests and national parks and on other public land.

As a result of a briefing note kindly provided to me by my local branch of VIC ROADS I am aware that the levy will be payable by eligible vehicle owners registering or renewing registration after 1 January 1992. However I also note from the same briefing document that the regulations have not yet been made but were expected to be framed in the week beginning 4 November.

That raises two specific issues, the first being one of equity. If the government is suggesting that this is some form of user-pays scheme it is grossly unfair simply because many four-wheel drive vehicles are not driven on forest roads, in national parks or on public land any more than two-wheel drive vehicles. The policy is incredibly unfair. Secondly, most owners of four-wheel drive vehicles would be a little less unhappy about the levy if they knew that the funds to be derived from it were to be dedicated to the stated purpose.

I seek from the Minister a response to some specific questions: how will the Department of Conservation and Environment receive the revenue involved? How will the spending of the revenue be policed? Is the Minister able to give assurances to the House that the funds derived from the four-wheel drive levy will be used for track construction and maintenance?

Aids for disabled people

Hon. R. A. MACKENZIE (Geelong) — I direct to the attention of the Minister for Ethnic, Municipal and Community Affairs, who is the representative in this place of the Minister for Community Services, the program for providing aids for disabled people.

The program originated some time ago during the International Year of the Disabled. At that time considerable funds were provided by both this government and the Commonwealth government in an endeavour to help disabled people, especially those who required electronic aids, wheelchairs and so on. The idea was to enable disabled people requiring assistance to be able to lead their lives as normally as possible. It was also part of the program to get disabled people out of institutions.

Having raised the hopes of disabled people, the government has consistently reduced the funding for the program, so much so that this year Community Services Victoria has withdrawn funding for the maintenance of equipment. Today a disabled lady came to see me about the issue. She cannot use a manual wheelchair and is restricted to a motorised chair. She must now take money from her pension to pay for the maintenance of the wheelchair. Last year maintenance costs amounted to \$1800, which will not leave much when it is taken from a pension.

The problem with motorised wheelchairs is that they are imported and that the maintenance must be done by the company that makes them. The parts

are not interchangeable and, therefore, it is extremely expensive to keep the wheelchairs on the road, so to speak.

I ask the Minister to consider the matter because it goes against all the government's arguments about social justice. Having encouraged disabled people to go down the path of deinstitutionalisation it is cruel of the government to pull the rug out from underneath them. I ask the Minister to pass on this matter to her colleague in another place so that something may be done to fund the program properly.

Creswick District Hospital

Hon. R. I. KNOWLES (Ballarat) — I direct to the attention of the Minister for Health the petition I presented to her earlier today bearing 7484 signatures. I was unable to present the petition in the House because it was not in accordance with the forms of the House. However, the petition conveys the strong community protest about the government's proposal to close the Creswick District Hospital and establish a 30-bed nursing home. The petition also calls for the reinstatement of the 1988 redevelopment proposal.

The week before last the Minister for Health received a deputation from the Creswick hospital. During discussions with members of the deputation it was pointed out that the potential was available for further discussions to ensue between the hospital board and Health Department Victoria for developing a fresh proposal that would involve the retention of some low level acute care beds to service the Creswick community.

During the meeting with the deputation I asked the Minister to convey that offer to the hospital in writing. As honourable members will appreciate, a high level of distrust exists within the Creswick community because of the way the government has dealt with issues that have arisen since 1988. Until now, the hospital has not received the letter.

In responding to my remarks on the petition that I sought to present, an opportunity exists for the Minister to spell out clearly the basis on which the government is prepared to consider an alternative proposal to ensure that a wider range of health services will continue to be available for members of the Creswick community than is currently proposed by the government.

Duplication of Hume Freeway at Wangaratta

Hon. W. R. BAXTER (North Eastern) — The matter I raise is for the attention of the Minister for Ethnic, Municipal and Community Affairs, as representative of the Minister for Transport in this House. I refer to the duplication of the Hume Freeway, in particular the bypass at Wangaratta, which is one of the last remaining sections to be built to provide a duplicated, divided highway from Melbourne to the State border at Albury. The Euroa bypass is nearing completion and the Springhurst bypass is well under way. Only the Wangaratta bypass needs to be completed now. Admittedly it is an expensive project. It is funded entirely by the Commonwealth government, with all the design and supervision being undertaken by VIC ROADS.

The reasons I seek expedition of the work are manifold, but I refer in particular to the very high unemployment rate in the north-east of the State. Road building is a good generator of jobs.

Hon. D. R. White — Hear, hear!

Hon. W. R. BAXTER — As is acknowledged, by interjection, by the Leader of the Government.

It seems to me that if the Federal government is interested in job creation — perhaps the Prime Minister will announce a measure along that line tomorrow — this road building project would be a very useful one to put in place.

On top of that there is, of course, the safety aspect. In recent times there have been three major chemical spills on the Hume Freeway between Melbourne and Wangaratta. Fortunately none of those occurred near Wangaratta. If one had, significant damage would have been done, with probable loss of life resulting. I ask the Minister for Ethnic, Municipal and Community Affairs to pursue the matter and to take it up with her colleagues.

Decision of Municipal electoral tribunal

Hon. G. H. COX (Nunawading) — I raise with the Minister for Ethnic, Municipal and Community Affairs the outcome of a recent municipal electoral tribunal hearing. The *Ringwood Post*, a local newspaper, has the heading "Betty Milton appeal thrown out" above an article that begins:

Ringwood Council's North Ward election where Cr Sylvia Phillips unseated former mayor, Mrs Betty

Milton, was valid and there were no grounds to set aside the result, a municipal electoral tribunal decided last week.

That is fair enough, but I am speaking as a former councillor, and the Minister is aware of the work done by councillors as she also is a former councillor — and, naturally, I am concerned about irregularities that might arise in any local government considerations.

The article contains the following statement:

Magistrate and tribunal chairman, Mr Kevin Mason, acknowledged Mr Kingdon's retiring caused "irregularity, but not unlawful irregularity" in the election proceedings.

The Ringwood council wrote to Mrs Milton advising that solicitors Maddock, Lonie and Chisholm would represent it at the hearing before the tribunal. The summation of the hearing is that Mrs Milton has had awarded against her a claim for \$5000 to cover a council officer's legal costs.

The Minister for Ethnic, Municipal and Community Affairs should look into this matter. Here are people who are wanting to serve the community in a voluntary capacity. The request heard by the tribunal was legitimate and reasonable. The result will frighten the hell out of a lot of people who want to stand for election to local councils. As the Minister would well know, it is hard enough now to get people to stand for election to municipal councils, without the possibility of their being confronted by such circumstances. They would feel they had been poorly treated if they were faced with a result that meant they had to pay \$5000 in costs.

Mrs Milton is on a pension but is expected to pay \$5000 to cover the council's legal costs. I am gravely concerned that this has happened under the new municipal electoral tribunal system. I ask the Minister to look into the matter and provide some response because I do not know where this woman will get \$5000 from.

Travel subsidy for apprentices and trainees

Hon. R. S. de FEGELY (Ballarat) — I address my remarks to the attention of the Minister for Education and Training. The matter I raise relates to the travel subsidy for apprentices and trainees. I commend the Minister and thank him for his offer to retain the two trainee officers in the Ballarat region,

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whom I understand he has agreed to keep there. In view of the situation in Ballarat and the need to train people for the future and given the high unemployment rate in the area, at this stage the people of Ballarat need all the help we can get.

The Minister will have received a letter from Central Highlands Group Training Inc., a member of Group Training Australia, whose officers are involved in training apprentices and trainees. The letter expresses grave concern at the government's decision to remove the travel subsidy for apprentices attending trade schools. The need for restraint in government spending is understood and nobody would urge the government to spend large amounts. However, we are talking about a fairly small amount that has been of considerable value to the students — that is, the apprentices and trainees. The Minister would understand that many trainees must travel considerable distances; most of them are unemployed; and many of their families — particularly those in country areas — are feeling the pinch these days because of the small amount of money they have to go around.

The removal of the travel subsidy for apprentices and trainees will be a severe blow to these people. I ask that the matter be reviewed and that the Minister seek some way of reinstating the travel subsidy.

District shopping centres and complexes

Hon. B. A. E. SKEGGS (Templestowe) — I raise for the attention of the Minister for Education and Training, representing the Minister for Planning and Housing, the situation regarding the review of district shopping centres and complexes that is being undertaken by the Department of Planning and Housing. I refer particularly to the need for the Heidelberg shopping centre to be included in that review.

The review of the planning policy will become a guide for the development of major shopping complexes and centres in metropolitan Melbourne. As I understand it the review will determine the relevance of district centre policy to metropolitan planning objectives as they relate to shopping centres and determine the criteria for their designation as well as defining the role of district centres.

Heidelberg shopping centre is undergoing exciting transformation as a shopping amenity and therefore deserves consideration in the review. The important

link between Bell and Banksia streets will move the traffic away from Burgundy Street, which is a major shopping area that has experienced traffic problems for some time.

The Heidelberg City Council has taken strong steps to improve the whole shopping centre through cooperation with the local traders and by putting in a shopping centre management for the area. The continued expansion of medical facilities and other exciting developments will clearly place Heidelberg as a worthy candidate for inclusion in a major district centre policy review.

I ask the Minister to request the Minister for Planning and Housing to consider the Heidelberg shopping amenity in the district centre policy review now being undertaken.

Responses

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — Mr Mackenzie raised for the Minister for Community Services the problems created for disabled people who have to pay for the maintenance and repairs of wheelchairs, especially those who have to purchase imported parts for equipment that is imported in the first place. Mr Mackenzie raised a number of queries within that question and I will draw the text of what he said to the attention of the Minister.

Mr Baxter raised the duplication of the Hume Freeway and the job generation potential of road building. As he would have heard by interjection from the Leader of the House, that project would be supported by every member of the House. I will draw the attention of the Minister for Transport to Mr Baxter's comments and use whatever good offices I can to ensure that the project will get the green light. We all agree it is a good one.

Mr Cox raised a question more specifically and in more detail than the matter raised by Mrs Varty several weeks ago dealing with the legal costs and introduction of lawyers into municipal electoral tribunals; in other words, tribunals that investigate complaints that are laid following council elections. The Office of Local Government had some contact with Mrs Varty at the time she raised the issue, and I am sure everyone would agree with the validity of the points made by Mr Cox.

Legislation dealing with the conduct of elections that will soon be introduced into the House will lie over at the end of this sessional period and be debated, I

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hope, early next year. The proposed legislation has flowed from a committee examining the conduct of elections. The committee, chaired by the honourable member for Whittlesea, Mr Max McDonald, who has had significant experience in local government, comprised all interested parties in the area. There was great unanimity about the form the legislation should take.

As I understand it the question of lawyers being introduced into a tribunal was something the committee deliberated on a great deal and eventually it decided it was too difficult to exclude them. It is certainly something I shall further consider. I suggest there are pros and cons for their exclusion. It is certainly unfair and unreasonable that individuals should be expected to pay a considerable amount such as \$5000.

Hon. R. M. Hallam — If you don't have it, it's a considerable amount!

Hon. C. J. HOGG — Indeed, it is a considerable amount of money. I believe it may have been one of the higher costs awarded. I know there were costs awarded in a number of cases. The matter Mr Cox raised merits my re-examination and I will undertake to get back to him, in writing, with a thoughtful letter within the next couple of weeks.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — Mr Hallam raised an issue regarding the introduction of a new set of regulations and fees for four-wheel drive vehicles. Firstly, he raised the question of equity and said that many four-wheel drive vehicles do not go into national parks. Secondly, he asked whether the registration levy would be used for the purposes of track construction and maintenance.

My understanding is that the funds collected from the registration levy for four-wheel drive vehicles will be spent on conservation and environment issues. I cannot give him a categorical guarantee about that, but I will check with the Treasurer and the Minister for Conservation and Environment and provide him with a response.

Hon. B. T. PULLEN (Minister for Education and Training) — Mr Evans referred to the resources available to a primary school camp known as the Fifteen Mile Creek School Camp at Myrree. I will examine the matter and provide him with a response.

Mrs Varty raised the issue of the payment of subcontractors where there has been a failure on the part of the main contractors, particularly at the Rowville Primary School. As I have indicated in the past, I have been monitoring this situation closely and that matter was not raised in a recent report. However, given her concern about the situation I will investigate a follow-up examination at Rowville Primary School concerning that subcontractor.

Mr de Fegely raised the issue of two trainee officers in the Ballarat region and whether the government has been able to maintain the travel subsidies for trainees and apprentices. As he will be aware, savings have had to be made in the TAFE area, but the principle was to have as a priority the maintenance of student places in TAFE colleges, which we have succeeded in doing, and to provide for an increase in places.

With respect to the travel subsidy, the government believed some economies could be made. At this stage it is unlikely that any changes will be made this year.

Mr Skeggs directed a matter to me for the attention of the Minister for Planning and Housing on the importance of considering the Heidelberg shopping centre in the district centre review. I will convey his concerns and request to the Minister.

Hon. M. A. LYSTER (Minister for Health) — Mrs Tehan raised the future of the Upper Yarra Bush Nursing Hospital, which is classified as a private hospital, and suggested that as a pilot project some beds, probably maternity beds, should be contracted for the public. I shall ignore the last part of her contribution and take the point that she was provoked by the Leader of the Government, although I contest all of what she said at the end of her remarks.

With respect to proposals such as placing additional public beds in bush nursing hospitals, I suggest there may be an opportunity for the Upper Yarra Bush Nursing Hospital to pursue avenues such as that taken up by the bush nursing hospital at Euroa, which undertook an extensive advertising campaign that resulted in that hospital being saved.

Hon. M. T. Tehan — They did that last year and it was very successful. The recession put an end to that this year!

Hon. M. A. LYSTER — Yes. Similarly the bush nursing hospital in the Upper Murray Region has

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consistently served its community with its acute services. The remoteness has assisted that hospital in retaining its service.

The Violet Town and Tongala bush nursing hospitals have changed the services they are offering. There are elements in the way Mrs Tehan is saying the hospitals are moving into the midwifery area. The Violet Town and Tongala hospitals are extending their elderly person services and looking at developing nursing home beds and hostel accommodation.

I believe the Yarra Junction hospital is considering developing that type of facility, and this, in the medium to long term, will not only assist with its financial viability but also meet a need for its community.

I shall examine the situation of the Upper Yarra Bush Nursing Hospital. In the past the government has preferred bush nursing hospitals to consider other programs or more innovative ways of meeting the needs of their communities and retaining their viability. I shall examine Mrs Tehan's proposal, together with any other options which make it possible for that hospital to be assisted to continue to serve its community.

I thank Mr Knowles for the 7484 signatures on the Creswick petition. It is an expression of the concern felt by the people of Creswick and the surrounding areas and of the respect they have for the way in which the Creswick District Hospital has served its community for so long. As I have said in this House before, one does not make decisions lightly to

change the nature of a service when that service is able to command respect from the community. It was for that reason that I was pleased to meet with the board of the Creswick District Hospital and to explore with it some of the options that could be pursued regarding role conversion. I said at the time how pleased I was with the attitude of the board, which was prepared to respond to the need to provide more efficient services and be more cost effective, but the board also asked for the opportunity of coming back to me and to the government with options that could meet those demands.

I apologise that I have not written to the board. I did, as Mr Knowles will recall, particularly ask that a letter be drafted for my signature. I will ensure that is done. I hope by the end of the week the hospital will come to me with various options on the understanding that savings can and should flow from whatever proposal it may wish to put to me.

I look forward to the resolution of the issue in the most appropriate way so that the Creswick District Hospital can continue to meet the needs of its community, if not this side of Christmas then certainly in the New Year.

Motion agreed to.

House adjourned 6.24 p.m.

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The PRESIDENT (Hon. A. J. Hunt) took the chair at 11.2 a.m. and read the prayer.

**DEATH OF MAJOR GENERAL
SIR ROHAN DELACOMBE, KCMG,
KCVO, KBE, CB, DSO**

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

That this House expresses its sincere sorrow at the death, on 10 November 1991, of Major General Sir Rohan Delacombe, KCMG, KCVO, KBE, CB, DSO, and places on record its acknowledgment of the valuable services rendered by him to the Parliament and the people of Victoria as Governor of Victoria from 1963-74.

Major General Sir Rohan Delacombe was the last of the British Governors of Victoria. He served from 1963 to 1974, and he died peacefully last Sunday at his home in Wiltshire.

Sir Rohan came to the appointment following a distinguished military career from 1926 to 1962. He was wounded twice in the second world war and was the commander of the Berlin British sector when the Berlin Wall was erected. He would obviously have been delighted to have seen the Berlin Wall come down, particularly because of the peaceful circumstances in which it happened.

Sir Rohan brought to the job of Governor the great skills of leadership he learned from the armed services. Foremost of those were his skills in relating to people; he could do that effectively with people from all stations of life. As the *Herald-Sun* said a few days ago, he was known as the people's Governor. He was always active in travelling the State and meeting and talking to people. He genuinely wanted to know about their problems, ambitions and successes. People felt very comfortable talking to him and he listened to what they had to say.

Sir Rohan was a keen sportsman. He played an excellent game of tennis; he loved skiing; and he followed the football closely, as the No. 1 ticket holder at the Richmond Football Club.

His love of the country showed in the level of attention he paid to the activities of the Royal Agricultural Society. He was its patron, and a very

active one, attending agricultural shows throughout the State. At times he acted as a cattle judge.

Sir Rohan saw great hope in our young people and went out of his way to support activities designed to assist them in the future. The Lord Somers Camp was a particular favourite of his and he never missed an opportunity of visiting the camp.

After returning to England Sir Rohan kept up his work for Victoria. He was a leading member of the Victoria Promotion Committee in London and served actively on that committee to promote Victoria and its interests throughout Britain until his death.

Throughout his term of office Sir Rohan was ably supported by Lady Delacombe. In her own right she made a significant contribution to Victoria's community by her support for and encouragement of myriad organisations. The Delacombe team was respected widely throughout Victoria.

On behalf of all members of the House, I offer my sincere condolences to Lady Delacombe, Christopher and Frances at this sad time. I am pleased to know that the State will have the opportunity of paying its respects to Sir Rohan at a memorial service to be held in Melbourne in December.

Hon. M. A. BIRRELL (East Yarra) — I join with the government in supporting this condolence motion. When a Governor dies it is a time for all of us to reflect, particularly when one has the example of the contribution of a man of the stature of Sir Rohan Delacombe.

During his life a significant time of history has passed. I refer to military history and the history of Victoria during the eleven years when Sir Rohan was Governor of our State, from 1963 to 1974.

Sir Rohan's service to Victoria was considerable. As the Leader of the Government said, he was the last British viceroy to serve in Victoria. His career shows he was in the most honourable and proper sense of the words a servant of the Empire, as it was then. Sir Rohan's term of office was extended twice. His popularity with the people of Victoria was always evident and was demonstrated when people greeted him and Lady Delacombe in the work they did while circulating throughout the community. Sir Rohan travelled throughout the State and was clearly regarded as a pioneer in developing what might perhaps be termed the modern role of

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Governors, that is, people who are ambassadors and spread themselves widely throughout the State's urban and rural areas. People lined the streets for his farewell in 1974, after which he and Lady Delacombe returned to Britain.

Sir Rohan's aim was to learn as much as possible about Victoria during his time here and in his work as Governor particularly to learn about the people of this State and work with them. I should like to quote from one interview in which Sir Rohan made this comment about Australians:

I like your ability to work hard and then to play hard ... Australians excel at sport because they are prepared to work harder at it than in Britain where the general attitude is ... "It's all in the game".

He lived to see recent sporting history that reflected that ability, in the Australian Wallabies rugby union team World Cup victory. I am sure he would have enjoyed that sporting achievement.

Sir Rohan was born in Malta and had a different perspective when reflecting on Australians than we would expect of people who have more recently filled the position of Governor of this State.

Sir Rohan never lost his soft spot for Victoria and always kept in touch with what was happening. Two years ago, at a relatively senior age, he revisited the State. Through his capacity to act as an observer, Sir Rohan recognised Australia's changing stance with the former Empire and the Commonwealth — indeed, with England.

Sir Rohan acknowledged the changing role that Australia and Victoria had in the world:

As the wealth and strength grow with the population, Australia is able to take its position and play its part as a nation in the Pacific area.

Sir Rohan's distinguished military career gives a true indication of this person who was such an icon in the Empire. Sir Rohan was the fifth generation of his family to serve in the Army, and his son followed in his father's footsteps. Prior to being appointed Governor in 1963, Sir Rohan was General Officer Commanding of the British Sector of Berlin.

After his education was completed at Harrow Sir Rohan's military career commenced when he attended the Royal Military College at Sandhurst. It was here that his fellow officers gave him the nickname Jumbo, a name he carried throughout his

life; they said the nickname suitably described his stature.

Sir Rohan served in the Royal Scots in 1926 in Egypt, China and India, and following that service he was in the United Kingdom from 1926 to 1937. After that he served in Palestine and was awarded an MBE for active service.

Between 1939 and 1945 he was in active service in France, Norway, Normandy and Italy. From 1949 to 1950 he served in the British Army of the Rhine. From 1950 to 1953 he served as brigadier commanding the 5th Infantry Brigade in Germany. Up to 1958 he was General Officer Commanding, 52nd Lowland Division.

After Sir Rohan's appointment as Governor he was appointed Hon. Air Commodore, RAAF, 21st City of Melbourne Squadron.

His could be described only as a fine military career that covered virtually every major theatre of active involvement — service to one's country that deserves to be recognised today and talked about.

The eleven-year period that Sir Rohan served as Governor of Victoria was an important part of our history. In the time Sir Rohan served as the Queen's representative in Victoria he witnessed a number of significant changes and achievements, including the construction and opening of Melbourne Airport at Tullamarine, the construction of the Arts Centre and the expansion of facilities such as the underground rail loop. He witnessed industrial expansion in Dandenong, the setting up of the Environment Protection Authority and the creation of the Ministry of Social Welfare.

Sir Rohan could also recall the disappearance of Prime Minister Harold Holt, the collapse of the Westgate Bridge and other times of great sadness for this State that occurred while he was Governor. He was very much an integral and important part of Victoria's industrial development and history. Sir Rohan was effectively on loan to the State of Victoria for eleven years, and during that time he made a fine contribution to the people and to the State.

In conclusion, Sir Rohan held the interests of the people and the State at heart — and the opposition wishes to recognise that today. His demeanour was described by a soldier at Brigade Headquarters during the 1950s in this manner:

He's a grand soldier, a quiet man, but a fine one.

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Victoria certainly has been very proud to have had eleven years of Sir Rohan's distinguished career to call its very own. On behalf of the Liberal Party, I extend condolences to Lady Delacombe, their son Christopher and daughter Frances Caldwell.

Hon. W. R. BAXTER (North Eastern) — My recollection of Sir Rohan Delacombe is that he was the epitome of the English gentleman. He was unfailingly courteous to all. He lived by and set very high standards for himself and others — and I believe that is very important. As has already been noted, Sir Rohan gave a lifetime of service to his nation and to the Queen; he was a member of the armed services in times of great tribulation in many theatres of conflict, particularly in the European arena. Sir Rohan came to this country and to this State as the last of the British Governors, with that great wealth of experience and record of service to his country behind him.

I first met Sir Rohan at Government House in 1967 at a function that had been arranged for young people interested in politics; included among the guest list were people from the whole spectrum of the political arena in this State. Sir Rohan made an impression upon me that evening in the brief conversation I had with him. I remember him more particularly when I was a young member on the day I was sworn in to another place in 1973. As was the custom then, and probably still is, members met the Governor in the North Library. I recall Sir Rohan resplendent in the scarlet uniform of a British Major General. That made an impression on me.

I subsequently did not see Sir Rohan very much because he retired within about twelve months of my election to Parliament, but he visited my electorate of Murray Valley prior to his retirement. I appreciated the warmth that he and Lady Delacombe brought on those visits.

He served the State for eleven years following on the record of governorship of Sir Dallas Brooks. Sir Rohan served the State at a time which might be called the halcyon days, and I believe he observed that they were the golden days.

As Mr Birrell said, Sir Rohan was able to observe great change in this State and be part of that change. He gave support in no small measure. He returned to Wiltshire after his retirement in 1974 but did not lose interest in this State. He returned on a number of occasions, and as recently as two years ago. I believe he remained a student of the newspapers of this State to enable him to keep up with what was

happening and to maintain his keen interest in Victoria and its progress.

On behalf of the National Party, I place on record our regret at Sir Rohan's passing but appreciate the fact that he was able to enjoy a long and fruitful retirement in his beloved Wiltshire after his term as Governor concluded, and Lady Delacombe was able to enjoy that retirement with him. On behalf of the National Party I join with other honourable members in offering condolences to Lady Delacombe and to Christopher Delacombe and Frances Caldwell.

Hon. K. I. M. WRIGHT (North Western) — I join the Leaders of the parties in paying tribute to Sir Rohan Delacombe. I had some contact with Sir Rohan in this Parliament and prior to that. I was a member of this House in 1973, the last year or so of Sir Rohan's term of office. He was the guest of honour at the annual President's dinner on that first occasion. He visited this House and Parliament on a number of occasions. I recall that he officiated at the opening of Parliament following the 1973 election.

Prior to that he and Lady Delacombe paid several visits to Mildura during my terms of office as Mayor of the City of Mildura. He was aware that he was about to retire and invited a number of us to stay with him at his residence in England. The town clerk of Mildura, the late Bill Downie, accepted that invitation — I do not know whether it was to the surprise of Sir Rohan and his wife that Mr Downie accepted, but Bill Downie and his wife had an enjoyable time.

Sir Rohan was an outstanding representative of the Crown. He was a humble man and was popular on his many visits to country areas. He used simple language and was courteous to everybody with whom he came in contact.

Sir Rohan had a distinguished military career. In his early days he was an officer in a Scottish regiment, which strikes a chord with me because my great-grandfather was an officer in the 21st Royal Scots Fusiliers. Sir Rohan's whole life was devoted to public service and to the benefit of everybody.

I convey my condolences to Lady Delacombe and family.

The PRESIDENT — Order! During his eleven years as Governor I came to know Sir Rohan Delacombe very well indeed. In his first year he visited the Mornington Peninsula on four occasions

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and each time he came it rained. I consulted a number of other honourable members and found that they had had similar experiences. Sir Rohan developed a reputation as a rainmaker.

Sir Rohan Delacombe was a wonderful man. He had two outstanding characteristics: he genuinely cared for people, for everybody, and he was interested in everything that was going on. Those are the qualities that made him a most popular army commander and an excellent Governor. Although Sir Rohan was the epitome of an English gentleman he related to people well because he cared and was genuinely interested in them, in their areas and what was going on in those areas.

Sir Rohan was similarly interested in what was happening in this Parliament and in Australia generally. More than any other Governor, at Executive Council meetings he wanted to know the background of and the reasons for the decisions that were being made. That was a salutary state of affairs because it ensured Ministers were properly briefed and could explain and answer questions he asked.

Sir Rohan also had a genuine and real interest in what was happening in Victoria and in Australia. I think he was probably the most popular of the Governors with members of Parliament, who found they could always approach him. He was always very interested and helpful. Members loved to have Sir Rohan visit their areas because they knew they would be great occasions. He put himself out to travel in Victoria as much as he possibly could.

After Sir Rohan retired he was visited by a senior member of the government of the day, who found the Delacombes living in somewhat straitened circumstances. We did not know until then that by retiring from the army three years early to take up his position as Governor of Victoria Sir Rohan lost a very substantial part of his military pension. In those days, to our shame, there had never been any provision for a pension for Governors.

Sir Rohan did not seek it, but when that senior member of the government came back he pointed out to the Cabinet that we had neglected to provide for our Governors and their widows. That gave rise to the Governor's pension Act, which now ensures that no Governor of Victoria or his widow will live in comparative poverty.

Sir Rohan Delacombe was a great man. He gave greatly to this State and we honour his memory. I pass on my condolences to his widow and to his

children. I invite all honourable members to signify their assent to the motion.

Motion agreed to in silence, honourable members showing unanimous agreement by standing in their places.

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Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

That, as a further mark of respect to the memory of the late Major General Sir Rohan Delacombe, KCMG, KCVO, KBE, CB, DSO, the House do now adjourn until this day at 12 noon.

Motion agreed to.

House adjourned 11.25 a.m.

The PRESIDENT took the chair at 12.2 p.m.

RACING (BETTING COMPETITIONS AND MIXED SPORTS) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs).

LAND TAX (REVISION) BILL

Introduction and first reading

Received from Assembly.

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

POLICE (INDUSTRIAL FUNCTIONS) BILL

Introduction and first reading

Received from Assembly.

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

STATE INSURANCE OFFICE (SALE) BILL

Returned from Assembly with message relating to Council's suggested amendment.

Ordered to be referred to Committee.

BUSINESS OF THE HOUSE

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) (*By leave*) — With regard to the business of the House, I advise honourable members that it is intended that the House should meet today until approximately the same time as yesterday.

For next week the arrangements are that we will meet on Tuesday and Wednesday evening, with the target being the completion of the business of the House by Thursday at approximately 5 or 6 p.m.

We will have to decide on Thursday of next week whether we need to meet on Tuesday, 26 November. The normal motion to be moved next Thursday would be for the Council to adjourn until a time to be determined by Mr President, but we may have to decide on Thursday, subject to how the Assembly treats our amendments, to provide for a meeting on Tuesday, 26 November. I simply wanted to direct those matters to the attention of honourable members.

Hon. K. M. Smith — You promised your kids you were going to be home for tea again, didn't you?

Hon. B. E. Davidson (to Hon. K. M. Smith) — And I tell you what, they're not very happy about it, either!

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TEACHERS DISPUTE

Hon. J. G. MILES (Templestowe) — I refer the Minister for Education and Training to his refusal on 31 October in this House to provide details of the exact nature of his budget backdown to the Victorian Secondary Teachers Association, and of the government, for fear of prejudicing negotiations that were then being held with the Federated Teachers Union of Victoria. Given that the Minister is reported as having said that there is now agreement between the government and the FTUV,

will the Minister now immediately make public all details of the government's deals with both the VSTA and the FTUV?

Hon. B. T. PULLEN (Minister for Education and Training) — I certainly thank the honourable member for his question. As the honourable member said, two weeks ago the government reached an agreement with the Victorian Secondary Teachers Association. That agreement delivered a number of elements required to meet the savings target from areas covered by that union as a contribution towards the 1991-92 Budget of \$100 million in savings in the Ministry of Education and Training.

Following the agreement reached with the Federated Teachers Union of Victoria last night, the government has now achieved its Budget savings target for the area covered by that union, as well as ongoing savings for the next Budget.

A number of similar elements exist in the agreements with both unions. The FTUV has agreed to change the Primary Staffing and Conditions Agreement, and I am pleased to inform the House that in return the agreement accepted by the FTUV will not affect the current staffing levels and working conditions of teachers.

Together with the Ministers for finance and labour, I put the government's offer to the FTUV last night. We achieved the agreement I have referred to because the government remained firm in its resolve to achieve the necessary savings and the union accepted that it had to make its share of those savings.

The offer that was accepted has a number of elements, including: the reduction and deferral of 340 teaching positions in the primary area, which includes 230 study leave positions and 50 additional teaching positions; a working party to monitor the achievement of savings and deliver additional savings; the deferral of advanced skills teacher 2 positions until 1993; the deferral of the payment of allowances to February; reduction in the staffing tolerance factor for secondary schools; a working party to develop a twelve-point scale to achieve Budget savings; reduction in the budget for long-term replacement teachers in primary schools; and the offering of enhanced resignation packages to long-term excess teachers in secondary schools.

The agreement with the FTUV has many common elements with the agreement with the VSTA; apart from some necessary differences, the agreements are

comparable in many respects. As honourable members are well aware, the FTUV has virtually exclusive coverage of primary schools whereas there is shared coverage of secondary colleges, with the VSTA predominating.

In addition the FTUV has agreed to extend the primary agreement by a year to bring it into line with the secondary agreement. This provides significant advantages for the government by locking the primary area into its current level of resources. It means there will be no new claims for additional resources in the primary area for 1993.

The Ministry of Education and Training is now well on track to achieving the \$28.4 million in savings required in the teaching area, which will enable the achievement of \$83 million in savings in the schools area.

In conclusion, now that the dispute is behind us we can focus on planning for next year, including the full implementation of the Victorian certificate of education and the introduction of literacy profiles at year 6 level to assess and monitor student achievement.

BERTHING AND MOORING FEES

Hon. R. M. HALLAM (Western) — I refer the Minister responsible for Ports to his undertaking, given on 2 October to a deputation from the Port Fairy boat owners' lobby, that he would consider both the compromise berthing fee structure put forward by the boat owners and the possibility of the historic wharf at Port Fairy being taken over by the Borough of Port Fairy before the fee structure, which he had previously announced, would be applied to Port Fairy. In light of that undertaking, how does the Minister justify last Tuesday's announcement that an annual fee of \$2530, which just happens to be the highest rate applied to any port in Victoria, will be imposed on a 10-metre alongside berth at Port Fairy?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — It is correct that on Tuesday I announced in the House the introduction of berthing and mooring fees to apply from 1 February 1992. The fees do not come into effect until that date.

As the honourable member would be aware because a member of the deputation was a commercial fisherman who is also a borough councillor, I advised the deputation from Port Fairy that we

would examine the proposal, which we are working through with the port, that the borough may be prepared to take over responsibility for the pier but not for the sea wall or the dredging, which would remain the responsibility of the Port of Portland Authority.

The application of the berthing and mooring fees was also considered, although not to the same degree, and I today give the honourable member the same assurance that I gave the deputation: we are happy to look at the merits of any argument about the severity of the effects on the port of the application of the fees, and we will continue to look at that. We will be happy to consider any adjustment to the fee structure as it applies from 1 February that may be required.

FOOD PROCESSING INDUSTRY

Hon. JEAN McLEAN (Boronia) — The food processing industry in Victoria is a major employer but it faces difficulty in expanding internationally. Will the Minister for Manufacturing and Industry Development advise the House what the government is doing to strengthen this important industry?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — Before the end of the year and early next year a great deal of attention at both a national and State level will be focused on the food processing industry.

The food processing sector employs 14 per cent of the Victorian manufacturing work force, produces 18 per cent of Victorian manufacturing output and accounts for 55 per cent of manufacturing exports. There is significant potential for the Victorian industry to expand into Asian markets. The increase in the number of people in the middle class in Asia, who have substantially increased disposable incomes, enhances our prospects of obtaining stronger and more secure markets for our processed food products.

I am pleased to inform members of the current instance of a major food processing company having had its WorkCare costs significantly reduced as a consequence of dealing with the government. Recently H.J. Heinz Co. Australia Ltd contacted the government and my department concerning its WorkCare levy. In an application to the Accident Compensation Commission the company sought a variation of the way in which WorkCare costs were

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levied at its Dandenong site. The department took up the issue with the commission on behalf of Heinz.

Extra information was sought from the company and it was found that the commission was able legitimately to treat Heinz's administration building and factory at Dandenong as separate establishments for the purposes of WorkCare. The WorkCare levy that was being applied for the factory activities was also being applied to the administration building at the Dandenong plant.

This single approach to the department has brought immediate results for the company's bottom line. Preliminary information reported by Heinz indicates that the total levy payable by the company will fall by \$320 000 per annum, from \$2.03 million to \$1.71 million. The benefit to Heinz is further enhanced by the recent announcement by the Minister for Labour that the 10 per cent levy surcharge will be removed, effective from November. This means the WorkCare levy payable by Heinz has been reduced in recent times by 25 per cent or \$500 000, from \$2.03 million to an estimated \$1.54 million. This is precisely the type of result we are looking for in tackling the problems in the food processing sector.

As a consequence of this initiative we expect substantially increased investment positions similar to the one taken by Kraft Foods Ltd last week, and after negotiations with the food industry in general we expect that similar initiatives can be taken.

As a result of not only that decision but the government's commitment to produce substantial changes in work practices in manufacturing plants in the food sector and the commitment of the Victorian Farmers Federation (VFF) to work with the Department of Agriculture and my department in examining specific issues such as those related to maltsters obtaining access to grain for the Japanese market, on the cost of production of tomatoes and on enhancing our access to Asian markets, we look forward to working with employers, growers and the trade unions to secure changes that will improve Victoria's capacity to expand its export markets in the Pacific Basin and realise its potential as an effective food producer.

An Honourable Member — Are you going to do anything about the unions, as well?

Hon. D. R. WHITE — Not a problem! We will.

Hon. M. A. BIRRELL (East Yarra) — I refer to the answer the Minister for Manufacturing and Industry

Development has just provided. Will the Minister give an undertaking to the House that the special arrangement that he has just announced has been entered into with the Heinz company on WorkCare payments will act as a precedent and apply equally to all other businesses in similar circumstances in Victoria?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — As I made clear publicly, the WorkCare arrangement made by the Accident Compensation Commission relating to Heinz after the company drew attention to the fact that the WorkCare levy that applied to the administration staff in the administration building at the Dandenong site was inappropriate is legitimate, and it would have universal application.

I am also making it clear to investors and manufacturers in the food sector that where they have legitimate concerns about WorkCare the department is more than happy to pursue those issues and to facilitate and advocate for industry.

The Heinz company arrangement is not exclusive, and if other cases are brought to the attention of my department by honourable members or directly by investors I look forward to pursuing those matters with the Accident Compensation Commission.

PROPOSED WIND FARM IN SOUTH GIPPSLAND

Hon. P. R. HALL (Gippsland) — I noted with interest recent press reports stating that the State Electricity Commission was seeking expressions of interest by private enterprise to establish a \$20 million wind farm in South Gippsland, and I understand the SEC would agree to buy the electricity generated. Will the Minister for Manufacturing and Industry Development advise the House whether this proposal is being seriously considered, or is it merely another case of the SEC blowing hot air?

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — Certainly in the eyes of the business sector and the community generally, Victoria and the SEC lead Australian utilities in respect of demand management issues. We have made it absolutely clear that it is our responsibility as a government and the SEC's as a utility to ensure that we use our energy much more efficiently than we currently do.

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One reason for that is an endeavour to achieve the greenhouse target of a 20 per cent reduction in carbon dioxide emissions by the year 2005, and that cannot be achieved unless there is substantial delay of Loy Yang B units 3 and 4.

To that end the government has introduced regulations that make it compulsory for new homeowners to have a degree of insulation in both ceilings and walls that is not a regulatory requirement to the same degree in other States. The SEC also offers significant tariff arrangement incentives for the designers, planners, constructors and occupiers of major commercial and industrial property to undertake to introduce into building construction equipment and insulation that reduces the energy demand. That was a recent initiative which has been welcomed by the building industry.

It is also our responsibility, in conjunction with the Renewable Energy Authority, to enhance the extent to which renewable energy is used in our community. Both the SEC and the Gas and Fuel Corporation have made a commitment to including solar energy appliances in their marketing arrangements.

To give but one example, the Gas and Fuel Corporation offers hot water services at approximately \$800, but it has not previously marketed solar energy appliances, which it is now marketing at some \$2000. In that setting the SEC has also made a commitment to the establishment of a wind farm and we look forward to that commitment coming to fruition.

INFECTIOUS DISEASES TREATMENT SERVICES

Hon. B. E. DAVIDSON (Chelsea) — The State Labor government recently released the report of the Review of Infectious Diseases Treatment Services in Victoria. Will the Minister for Health indicate to the House what response the board of Fairfield Hospital has made to that report?

Hon. M. A. LYSTER (Minister for Health) — I thank Mr Davidson for his question. I have recently been advised by the board of Fairfield Hospital that it is its intention to develop proposals for the future role and function of that hospital. The board believes a public health campus incorporating a specialised clinical unit for infectious diseases that is closely associated with research should be maintained at Fairfield.

I commend the board for its positive attitude in responding in a most appropriate way to the recent report into the provision of infectious diseases treatment services in Victoria. The community obviously strongly supports the retention of some clinical services at Fairfield and the government agrees that it is important to build on the expertise and the world-class work that is currently undertaken on the Fairfield campus.

I am advised that the board will be developing a more detailed proposal that will satisfy the two major thrusts of the infectious diseases report. Firstly, that some of Fairfield's resources should be directed towards improving the capacity of the general health system to respond better to the needs of people with infectious diseases throughout the State, including the acute treatment of AIDS patients. Secondly, that research and clinical services should continue at Fairfield in a way that will appropriately provide for specialised infectious diseases work. Further, the establishment of a major public health focus on the Fairfield campus is considered to be an appropriate and exciting development that will help to ensure that Fairfield continues to offer relevant world-class services to the people of Victoria.

Activities in public health on such a campus would naturally include infectious diseases but could encompass other public and environmental health functions. This concept is being further developed by the board.

The board's proposal to the government will receive positive consideration. The board has been extremely constructive and innovative in the way it has examined and responded to the infectious diseases treatment services report. I look forward to receiving more details of its proposals in the near future.

Of course I will need to take the proposals to all of the groups to whom I have given commitments about consultation. I will be encouraging those groups to examine the proposals carefully and I will ensure that I have their comments before the government makes its final decision. Again I thank the members of the board for the positive way they have taken up this challenge.

SCHOOL SUPPORT CENTRES

Hon. ROSEMARY VARTY (Nunawading) — I ask the Minister for Education and Training whether

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as part of the education budget cuts the government plans to close at least five school support centres?

Hon. B. T. PULLEN (Minister for Education and Training) — Although there will be savings, of necessity, in the areas of administration, regions and school support centres, as I have indicated in answer to previous questions, there are protected areas, particularly where services are directly provided to students and schools. There are no plans to close school support centres. However some changes will occur that will be based on consultation that is taking place on effective delivery in particular areas.

The honourable member might be aware of discussions that have taken place in particular regions and districts about the appropriateness of delivery of services at a district level as well as at the school support level. The savings proposals per se do not require the closing of any school support centres.

LANGUAGE TEACHERS

Hon. R. A. BEST (North Western) — My question of the Minister for Education and Training follows nicely on the question asked by Mrs Varty. Under the government's recently announced language other than English (LOTE) policy many rural schools are unable to attract qualified LOTE teachers to enable them to offer the program within their curriculums. Will the Minister advise the House what assistance and support he is prepared to give to these schools in remote areas so that students who attend those schools will not be disadvantaged because they are receiving second-grade education?

Hon. B. T. PULLEN (Minister for Education and Training) — I thank Mr Best for his question. I am pleased he asked it because it shows the stark contrast between the policies of the government and the proposals put forward by the spokesman for the opposition.

Recently I had the benefit of discussions with principals and school council presidents from small rural Victorian schools and this very issue emerged. It is clear that the mechanisms that provide support and assistance to those schools in delivering comprehensive education, and in particular in providing access to languages other than English, rely enormously on district provision and cooperation between schools.

I must say that many country schools are leaders in achieving cooperation in their regions, and many

metropolitan areas could learn from the very cooperative attitudes shown in particular schools and districts. This type of cooperation is exactly what is being undermined by the pronouncements of the shadow Minister suggesting that schools should have a dog-eat-dog attitude, with each school standing alone and competing against the others for students.

We completely reject that view. The important aspect of supporting country schools is to support the cooperative mechanisms which they already have and which are the answer to providing comprehensive education in country areas where numbers are low.

YOUTH EXPO IN BALLARAT

Hon. D. E. HENSHAW (Geelong) — My question is directed to the Minister for Ethnic, Municipal and Community Affairs and relates to the views often promoted in the media, and to some extent in other sections of the community, about young people in today's society. What will the government do to correct the negative impressions so created?

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — It is unfortunately true that much of the image portrayed of young people is negative. But there are many activities, sponsored by government and by the community, that are the antithesis of that — they are extremely positive.

About three weeks ago I attended a function organised by Community Action For Youth (CAFY), which is a youth organisation well known to members in Ballarat.

Hon. R. I. Knowles — Hear, hear! A good group.

Hon. C. J. HOGG — It is an excellent organisation. About three weeks ago that group decided, because it was Children's Week — and Children's Week does not give much prominence to adolescents — to have what it called a Youth Expo or a showcase of youth talents. Much time and work went into it.

Students in the local schools were contacted. A concert was held on that night involving a real array of talent — recitation, singing, working with bands and school bands, and individual musicianship. It was a terrific, extremely well-organised concert.

In the foyer was an exhibition of photographs and pieces of work done by the young people in the

Ballarat area. There had been a real attempt to move outside the city proper and into the greater Ballarat region, and to gather all sorts of examples of work.

At the conclusion of the evening one of the young women who had taken a large responsibility for the organisation of the evening presented a city councillor, a leader of industry and me with a charter that outlined the hopes and aspirations of young people. It was extremely well done and focused around certain areas of concern — the environment, personal safety, health, international relations and other matters. Everyone in the hall — and there were many young people as well as parents, youth workers and teachers — were very impressed by the quality of the presentation.

It is that kind of activity that we seek to promote through sometimes small grants or through contributions to the salaries of youth workers. They can promote the work that young people do, and try to highlight the positive aspects of the lives and work of young people.

NORTH WEST HOSPITAL

Hon. R. I. KNOWLES (Ballarat) — On 9 October I asked the Minister for Health if the government was considering using the private sector and private funds to redevelop the North West Hospital. In reply the Minister said that the proposal was “completely new” to her. I now ask: how does the Minister reconcile that answer with the fact that she had already arranged a meeting between the Private Geriatric Hospitals Association of Victoria, the regional director and the chief executive officer of the hospital to discuss this specific proposal, and that the meeting had already taken place on 12 August — almost a month prior to my question?

Hon. M. A. LYSTER (Minister for Health) — I am sorry to have to inform Mr Knowles that there is no conflict in that situation. Earlier this year I had the pleasure of launching a business plan at the North West Hospital, which was a community consultation being undertaken by the board of the hospital to examine appropriate ways in which two very large geriatric institutions serving those communities could redevelop their services to meet the needs of the catchment area.

I knew that those consultations had been taking place, and when the Victorian Private Geriatric Hospitals Association came to see me I thought it was possible that some of its aspirations for being part of a private sector aged care development could

well fit in with some of the considerations taking place under the community consultation program of the board of North West Hospital.

If I recall correctly I directed the Victorian Private Geriatric Hospitals Association to that consultation process. I was not aware that a meeting had actually taken place. I am pleased that it took place and I hope it has been beneficial to the board of North West Hospital in its deliberations.

Because Mr Knowles has brought it to my attention, I will check on the progress of that consultation.

Hon. R. I. Knowles — You had a meeting on 12 October. You have a very deficient memory!

Hon. M. A. LYSTER — I shall be pleased to check on the progress of that community consultation and inform the honourable member further.

MSG FINANCE AND CONVEYANCING

Hon. G. A. SGRO (Melbourne North) — Has the Minister for Consumer Affairs any knowledge of an alleged unlicensed finance broker called MSG Finance and Conveyancing operating from 50 Wingara Avenue, East Keilor?

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — The Ministry has received a number of complaints about unlicensed finance brokers taking advantage of people who are often not in a position to obtain or do not know how to obtain finance. These brokers are unscrupulously taking advantage of such people.

MSG Finance and Conveyancing has recently been the subject of a number of complaints that are now being investigated by the industry regulation branch of the Ministry of Consumer Affairs.

It appears that the co-principal of the company, Mario Stephen Sujster, has acted as a finance broker for people wanting to buy house and land packages in the northern and western suburbs of Melbourne. He generally applies for finance from the Advance Bank but has given false information about his clients' financial status, including assets and liabilities, to improve their chances of being granted a loan by the Advance Bank.

I am advised that the Advance Bank received 37 applications between May and August from MSG Finance and Conveyancing. The bank turned down seventeen of those applicants because of false

information about level and source of income, and in one case an incorrect date of birth was given to avoid detection of previous money problems.

I believe the company is still operating and may be dealing with housing cooperatives around Melbourne. We are investigating the allegations with a view to possible prosecution, but in the meantime I urge consumers wanting to borrow money through a finance broker to check that the company they deal with is actually licensed. If in doubt they should check with the Ministry of Consumer Affairs, Licensing Branch.

LORD MAYOR OF MELBOURNE

Hon. B. A. CHAMBERLAIN (Western) — I direct a question to the Minister for Ethnic, Municipal and Community Affairs. Did the honourable member for Melbourne, Mr Cole, approach you or your department about allegations of improper practice by the Lord Mayor of Melbourne before he made his public claims of bribery?

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — He certainly did not approach me and I am not aware of his approaching anybody in the Office of Local Government.

Hon. M. A. Birrell — So it was just a stunt and a lie by him and he was not approaching you as a Minister.

HOME OPPORTUNITY LOANS SCHEME

Hon. R. A. MACKENZIE (Geelong) — I refer the Minister for Consumer Affairs to the matter I raised a fortnight ago on the adjournment debate — the home opportunity loans scheme. A large number of people now feel they have been misled by the information provided to them by the Department of Planning and Housing. They are losing their homes because they cannot afford to pay the 27 per cent of their incomes, which they understood would remain constant no matter whether their incomes went up or down. Legal opinion suggests that they are the victims of false advertising.

Following the complaint I made to the Minister during the adjournment debate, has he been able to investigate this complaint and, if so, will he advise the House of the result of any such investigations?

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — Mr Mackenzie's comments

and concerns on this matter were passed on to the Minister for Planning and Housing. I have not yet received a communication from the Minister, but I shall follow up the matter.

DEPARTMENT OF THE LEGISLATIVE COUNCIL

Hon. D.R. WHITE (Minister for Manufacturing and Industry Development) presented report of Department of the Legislative Council for 1990-91.

Laid on table.

Ordered to be considered next day on motion of **Hon. R. I. KNOWLES** (Ballarat).

DEPARTMENTS OF PARLIAMENTARY DEBATES, LIBRARY AND HOUSE COMMITTEE

Hon. D.R. WHITE (Minister for Manufacturing and Industry Development) presented reports of departments of Parliamentary Debates, Library and House Committee for 1990-91.

Laid on table.

Ordered to be considered next day on motion of **Hon. R. I. KNOWLES** (Ballarat).

OFFICE OF PRE-SCHOOL AND CHILD CARE

Hon C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) presented report of Office of Pre-school and Child Care for year 1990-91.

Laid on table.

Ordered to be considered next day on motion of **Hon. R. I. KNOWLES** (Ballarat).

ECONOMIC AND BUDGET REVIEW COMMITTEE

Auditor-General's report on Ministerial portfolios

Hon. J. V. C. GUEST (Monash) presented report of Economic and Budget Review Committee on matters arising from Auditor-General's 1989-90 report on Ministerial portfolios, together with minutes of evidence.

Hon. J. V. C. GUEST (Monash) — I move:

That they be laid on the table and that the report be printed.

I shall say something about the value of the report, which illustrates that the work of the Public Accounts Subcommittee of the Economic and Budget Review Committee has been strengthened over recent years as the experience of staff and members of the subcommittee has grown. The subcommittee has become more focused, partly because of its defining its relationship with the Auditor-General and partly as a result of the full committee's adoption of suggested terms of reference to distinguish the work of the public accounts subcommittee from that of the estimates subcommittee.

The terms of reference, which are to be found on page (ix) of the report, are worthy of consideration because they relate substantially to the task at hand and distinguish it from the work of the estimates subcommittee, which relates to the current budgetary period.

The chairperson of the committee, Mr Neil Cole, the honourable member for Melbourne in the other place, has written a short introduction to the report. A more substantial introduction has been written by the chairperson of the public accounts subcommittee, Mr Race Mathews, a former Minister for the Arts, which is not irrelevant to the substance of some of the work of the committee. He points out:

It is the traditional role of a public accounts committee to review the report of the Auditor-General and report to Parliament on the issues raised in the report. The criteria used to select these issues include:

whether the issues involve expenditure or revenue of significant amounts;

whether the matters remain unresolved due to inaction by the agencies concerned;

whether the issues have ongoing implications for public accountability; and

whether the issues are contentious.

That illustrates the bipartisan concern of the public accounts subcommittee for good government, which was also exhibited by the subcommittee under its previous chairperson, Mr Theophanous, the Minister for Consumer Affairs.

I shall quote further from the introduction to the report made by the ALP Chairperson of the Public Accounts Subcommittee of the Economic and Budget Review Committee:

The committee expects that agencies, in making submissions, should ensure that there is an appropriate level of expertise displayed in the submissions presented to the committee ...

Officers of the Ministry of education did themselves a disservice by submitting a statistical analysis of WorkCare experience which was poorly presented and methodologically flawed.

The competence of the Treasury was brought into question by the failure to prepare material for the committee prior to the hearing, and the provision of incorrect material consequent to the hearing.

Health Department Victoria submitted some material on performance indicators in nursing homes which was poorly presented, contained errors and was submitted after the deadline.

By contrast, the committee has reported on the importance of good government, which is probably more of an aid to the government — in so far as it is concerned with good government — than it is to the opposition, because there is nothing particularly sexy about the report for media headlines.

It is a concern to all those who are interested in good government that these criticisms are made. The chairman states:

Planning and housing produced a detailed submission with clear strategies for resolving the issue of standby labour for the construction group.

Further on he states:

Planning and housing was possibly the best prepared agency at the public hearing.

Hon. R. A. MACKENZIE (Geelong) — On a point of order, Mr President, it has been the custom in this House for members who are presenting reports of this nature to make some brief comments about the report and to thank the support staff. I look forward to reading the report, but Mr Guest is spoiling it for me by referring extensively to it.

I ask that Mr Guest maintain the normal forms of the House and wind up his speech.

Hon. J. V. C. GUEST (Monash) — On the point of order, Mr Speaker, if I need leave and if Mr Mackenzie wishes to refuse me leave, I shall address the question of whether I can speak to the motion in the way I am. However, if Mr Mackenzie

is not refusing me leave, perhaps I ought to address the other matter.

The **PRESIDENT** — Order! On the point of order, Mr Mackenzie has correctly stated the traditions of the House. I know the Clerks have doubts about whether anything ought to be said at all on the motion of tabling, but it has become the custom to make brief remarks without leave in support of the motion, but not to discuss the whole gamut of the report. That can be done on a motion to take note of the report.

Mr Guest's speech is developing into one that would be more appropriate on the motion to take note of the report. I therefore suggest to Mr Guest that he round off his remarks.

Hon. J. V. C. GUEST (Monash) — My comments were intended to show why it is worth investing taxpayers' funds to print the report. I assure Mr Mackenzie that I have not spoiled his reading of the report, because a full reading of it will show him that there is much more than I have drawn attention to.

The chairman referred to the National Tennis Centre Trust, whose finances are not necessarily good news for a future Treasurer. Alarming figures are found on pages 85 and 86 regarding the superannuation burden on the Budget of the State in future years.

I commend the report and the role of the public accounts subcommittee to the House.

Motion agreed to.

Ordered that report be considered next day on motion of Hon. R. I. KNOWLES (Ballarat).

PAPERS

Laid on table by Clerk:

Consumer Affairs Ministry — Report and financial statements for the year 1990-91.

Martial Arts Board — Report for the year 1990-91.

Totalizator Agency Board — Report and financial statements for the year 1990-91.

Ordered that reports tabled by Clerk be considered next day on motion of Hon. R. I. KNOWLES (Ballarat).

Sitting suspended 12.56 p.m. until 2.3 p.m.

LAND TAX (REVISION) BILL

Second reading

For Hon. D. R. WHITE (Minister for Manufacturing and Industry Development), Hon. B. T. Pullen (Minister for Education and Training) — I move:

That this Bill be now read a second time.

The Bill goes beyond the scope of the usual annual Bill to index the land tax rate scale. It implements the major recommendations of the review of land tax conducted by the Honourable Robert Fordham, the honourable member for Footscray, under wide-ranging terms of reference.

Honourable members will no doubt be familiar with the report of that review; it was released just before the Budget. Mr Fordham undertook extensive consultation with interested parties, who in most cases made written submissions to the review. He also commissioned detailed statistical and modelling work, which is summarised in his report. The report provides a perceptive and well-informed analysis of the issues and should lift the standard of public debate on land tax.

The government has generally accepted the review recommendations, with the exceptions that it rejects the recommendation to make primary production land taxable and the recommendation to not fully index the exemption level for 1992.

Following the review recommendations, the government proposes in this Bill the following changes to the rate scale for 1992:

a three-step rate scale to replace the existing five-step scale;

removal of the surcharge of 0.6 of a percentage point; and

adoption of a target base of \$400.6 million for 1992 tax.

In addition a cap of 1.45 is proposed on the equalisation factors for 1992 tax. That implies a maximum value increase of 45 per cent over 1986 values for metropolitan municipalities. For the central activities district the cap results in a

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maximum increase in land values of 14.2 per cent over those used for 1991 tax.

The scale is designed to yield less tax for 1992 than for 1991 and represents a tax reduction in real terms of about \$40 million or 9 per cent. Most taxpayers across the rate scale will pay less tax than for 1991. The number of taxpayers will be reduced by about 500 to about 71 000.

In addition the government accepts the review recommendation to bring forward the issue dates for assessments. This course has also been urged by the Auditor-General. The government proposes that taxpayers with assessments up to \$2500 should all be billed in the March quarter. For most of these taxpayers the tax assessed for 1992 under the proposed new rate scale will be substantially less than for 1991. Moreover, taxpayers with tax assessments between \$500 and \$2500 will be automatically offered a facility for payment by instalment, the instalments falling in the March, June and September quarters.

Most taxpayers whose assessments for 1992 exceed \$2500 will receive their 1992 assessments about three months earlier than usual and in 1993 and 1994 there will be a similar advancement of assessments not falling in the March quarter. By 1994 virtually all assessments will be issued in the March quarter.

Other review recommendations implemented by this Bill are to:

- aggregate Crown leases with other land, for purposes of establishing tax liability;
- strengthen the grouping provisions;
- legislate on trusts and joint ownerships;
- provide for more effective anti-avoidance action;
- exempt retirement villages;
- remove the absentee owner's duty; and
- make commercial statutory authorities and public sector superannuation schemes taxable.

Parkland managed by Melbourne Water will continue to be exempt from land tax, as will Department of Planning and Housing land developed by the Urban Land Authority for accommodation to be let by the Department to low-income tenants.

It is estimated that these initiatives will be approximately revenue neutral in 1991-92, the additional revenues from the base-broadening elements being balanced by the cost of the concessional elements.

The land tax review highlighted the scope that exists to use joint ownerships and trusts to avoid land tax and recommended corrective legislation. Under the present joint ownership provisions each joint ownership is assessed separately. No account is taken of the possibly large aggregate holding of an owner whose land is in joint ownerships with different other parties unless there is also some land in sole ownership. By exploiting this a landowner can reduce the average tax rate applied or even avoid a tax liability altogether.

Discretionary trusts for a similar class of beneficiaries can also be used as a means of forming multiple tax entities, each holding separate parcels of land. Again the outcome is a reduced tax liability or no tax liability at all.

The Bill includes provisions to correct the position in relation to joint ownerships and trusts. These provisions follow the corresponding New South Wales provisions. Their purpose is to improve equity by treating taxpayers in similar positions in a similar manner and to prevent trusts and joint ownerships from being exploited for tax avoidance.

In the case of trusts the benefits of splitting holdings are to be denied by charging tax at a rate of at least 1.5 per cent and allowing no general exemption. It is not expected that significant amounts of tax will be collected directly under these provisions. The intention is to provide an incentive for land presently held in trust to be held in different forms of ownership where it would be taxable at normal rates. As was done in New South Wales, a moratorium is provided to allow trusts to rearrange their affairs. Stamp duty exemptions are proposed to facilitate this.

The government has also accepted the thrust of the review recommendations on the land valuation system. These are directed at upgrading the land valuation base and reducing lags. A detailed report has been sought from the Valuer-General on implementation issues and the government expects to be proposing legislation in the autumn sessional period of Parliament.

In summary, the review recommendations represent a substantial reform of the land tax system. The

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government accepts most of the recommendations in their entirety and accepts the thrust of virtually all others. This Bill implements the major recommendations together with some machinery measures. In some cases the recommendations will be implemented progressively over a period of years.

I commend the Bill to the House.

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

Debate adjourned until next day.

POLICE (INDUSTRIAL FUNCTIONS) BILL

Second reading

Hon. T. C. THEOPHANOUS (Minister for
Consumer Affairs) — I move:

That this Bill be now read a second time.

The primary objective of the Bill is to provide for the transfer of the industrial functions under the Police Regulation Act 1958 to the Industrial Relations Commission of Victoria. Most of the industrial functions are carried out by the Police Service Board by making determinations under the Act. The chief commissioner also has some industrial functions. The transfer of industrial functions will implement the government's policy of rationalising industrial tribunals and accords with the police special wage case in which the government, the Victoria Police and the Police Association agreed to the transfer of functions.

The Bill will achieve the transfer of industrial functions by amending the Police Regulation Act and the Industrial Relations Act 1979. The Bill gives the Industrial Relations Commission or a conciliation and arbitration board the power to deal with industrial matters for members of the Police Force, police recruits, police reservists and protective services officers. The powers of the commission will not extend to coverage of the chief commissioner, deputy commissioners and assistant commissioners. The commissioners' terms and conditions of employment will continue to be set by government as they are at present. The Bill also removes the Police Service Board's and the chief commissioner's power to deal with industrial matters. Unfair dismissal and long service leave provisions under the Industrial Relations Act will

not apply to people appointed under the Police Regulation Act.

The Bill provides for the Governor in Council to nominate an employer for certain people appointed under the Police Regulation Act. This will allow for police and government representation before the Industrial Relations Commission in relation to these people.

The powers of a member of the commission sitting alone and the president of the commission will also be altered. A member of the commission sitting alone will be able to hear and determine industrial matters at the direction of the president, and the president will have the power to bring an industrial matter before a member of the commission sitting alone. These amendments are designed to increase the efficiency of the commission to enable the commission to deal with the increased workload due to the transfer of industrial functions.

The Bill will provide for the appointment of a conciliation and arbitration board for certain people appointed under the Police Regulation Act upon the application of the Police Association, which currently represents these people before the Police Service Board. The Bill also provides recognition for the Police Association in respect of the conciliation and arbitration board appointed under the Bill.

Search warrant provisions in the Police Regulation Act will be amended to remedy an anomaly created by the coming into operation of the Magistrates' Court Act 1989.

The Bill also provides that a corporation or public body may nominate a person to represent employers on a conciliation and arbitration board and a right of appeal from the termination of a probationary constable's appointment as constable.

Saving provisions provide that certain sections of the Police Regulation Act and current regulations and determinations made under that Act continue in force and have the same power and effect until superseded by an award, order or determination of the Industrial Relations Commission or a conciliation and arbitration board.

Unfinished proceedings before the Police Service Board upon the commencement of the Bill will be transferred to the Industrial Relations Commission.

I commend the Bill to the House.

RACING (BETTING COMPETITIONS AND MIXED SPORTS) BILL

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Debate adjourned on motion of Hon. G. R. CRAIGE (Central Highlands).

Debate adjourned until next day.

RACING (BETTING COMPETITIONS AND MIXED SPORTS) BILL

Second reading

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — I move:

That this Bill be now read a second time.

The purpose of the Bill is to provide for amendments to the Racing Act in order to:

prescribe premises at the Old Ballarat Village for the purposes of establishing a regional Tabaret; and

provide for organisations conducting mixed sports gatherings to benefit from bookmakers turnover tax receipts.

As honourable members will be aware, the Tabaret at the Rialto in Melbourne has now become an outstanding success with turnover in the first full year that will exceed the original estimate of \$100 million.

The government's gambling policy as announced by the Premier on 19 December 1990 included in-principle approval for Tabaret to be expanded to four regional centres at Bendigo, Ballarat, Geelong and the Latrobe Valley.

The Totalizator Agency Board requested proposals last year for sites for regional Tabarets and identified premises at the Old Ballarat Village at 623-643 Main Road, Ballarat, as being suitable for the purpose. The concept of a regional Tabaret at Ballarat and the site chosen for it have the full support of the Ballarat City Council.

Sites in the other three provincial centres are also under review but any development will be subject to the TAB assessment of their financial and commercial viability on a case-by-case basis.

Whether or not a suitable Tabaret site is identified, those centres will of course be given access to gaming machines in hotels and clubs under the provisions of the Gaming Machine Control Act.

Tabaret facilities at the Rialto in Melbourne and the four nominated regional centres will be the only Tabaret facilities to be considered by the TAB and the government.

For the Ballarat Tabaret to proceed it is necessary to prescribe the premises for the purposes of section 116 CD(3) of the Racing Act. This will enable 88 per cent of investments to be paid as prizes, 8 per cent to be retained by the TAB and 4 per cent to be paid to the Consolidated Fund.

The Act already makes provision for the proportion retained by the TAB to be varied by regulation. This is appropriate as over time the proportion of 8 per cent will need review once initial capital costs have been recovered. The government will negotiate with the TAB to determine an appropriate review date.

In the case of the Ballarat Tabaret the TAB will enter into an agreement with the owners and developers of the site, who will also act as agents of the board in the operation of the facility. Those persons will be subject to the same probity checks and clearances by the Victorian Gaming Commission as would be a prerequisite for a venue operator under the provisions of the Gaming Machine Control Act.

To further ensure consistency with the Gaming Machine Control Act it will be a requirement that no more than 105 gaming machines be operated at the Ballarat Tabaret and those machines will form part of the initial maximum quota of 5000 machines allocated to the TAB for its operations under that Act.

The systems in operation at Ballarat will be linked on-line to a TAB host computer and will have the same security features of the system operating at the Menzies-at-Rialto Tabaret.

The Stawell Gift is an athletic carnival of national and international repute which deserves full recognition for the focus it generates on Victoria and the tourism it promotes. Other carnivals like the Bendigo 10 000 and organisations conducting a range of community mixed sports events where bookmakers are present also deserve to be encouraged.

The matter of organisations conducting mixed sports gatherings not receiving any return from bookmakers turnover tax arising from their events has been the subject of representations to the government. This particularly affects the Stawell Athletic Club in respect of revenue from betting turnover at the Stawell Gift.

ENVIRONMENT PROTECTION (RESOURCE RECOVERY) BILL

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After consultation with the Treasurer, it is proposed to make provision for such organisations to receive the same return from turnover tax collections as do country racing clubs.

Both amendments proposed by the Bill will benefit communities in country Victoria.

I commend the Bill to the House.

Debate adjourned on motion of Hon. J. G. MILES (Templestowe).

Debate adjourned until later this day.

ENVIRONMENT PROTECTION (RESOURCE RECOVERY) BILL

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

That this Bill be now read a second time.

The purpose of the Bill is to establish mechanisms to enable wastes disposed of to landfills to be reduced by 50 per cent by the year 2000.

Such an ambitious target is necessary if we are to deal effectively with emerging environmental problems. Landfill space is a scarce resource, and many of our current landfill sites will fill up in the next three to five years.

The establishment of new sites is difficult because of public resistance to landfill sites near residential areas, and landfill costs are rising because of higher standards demanded by the community. Transport costs are rising as sites close to our cities and towns are filled and more remote sites have to be used. Wastes going to landfill sites can be reduced by recycling, reuse, composting and reducing wastes at source.

Over the past five years the beverage industry has worked with the Environment Protection Authority to establish an extensive kerbside collection program, which is the most effective way to improve recycling rates. This program has been coordinated by the EPA in close cooperation with local government. Its achievements have been significant.

More than 4 million Victorians now have access to house-to-house collections. Rates for recycling glass are approaching 60 per cent while for aluminium they have exceeded this target. There has been a start on recycling PET plastic, 10 per cent of which is

recycled. This program has put Victoria ahead of other States in Australia; but still some products that could be recycled are not included in kerbside collection.

Market viability for some materials has been a problem; for example, there is currently no viable large market for liquid paperboard containers such as cardboard milk and beverage cartons or for certain plastics.

Markets for collected materials have not always been stable; for example, last year the market for used newspaper collapsed, forcing councils to stop collection or maintain the service at considerable cost to themselves. Recently there has been a substantial drop in the price paid for aluminium, although this has not yet significantly affected returns.

Participation rates in kerbside collections range between 11 per cent and 73 per cent, with an average of 46 per cent. Upgrading the collection system is necessary if we are to involve more people in recycling, reduce collection costs and increase the economic viability of recycling. This requires an increased commitment from those parties currently not fully participating in supporting the kerbside collection program and recycling.

The voluntary program has not been able to secure this commitment. Discussions on the arrangements that should replace the voluntary arrangements have been ongoing for some time. The fourth report of the Recycling and Litter Advisory Committee, drawn from local government, industry associated with beverage containers, unions, conservation groups, the Keep Australia Beautiful Council and the EPA, made recommendations for more formal arrangements to address these problems. In response the government on 6 March 1991 released a draft plan *Waste: Better by Half* and on 8 June 1991 a draft Bill to elicit comments. During the intervening period extensive consultations were held with all key players in the form of written submissions, seminars and workshops, and a series of face-to-face meetings were held with key peak organisations before finalising the Bill.

The Environment Protection (Resource Recovery) Bill seeks to develop the partnership of all relevant industry groups, consumers, and State and local government in achieving waste reduction. The Bill provides mechanisms to balance supply and demand of recyclables collected through kerbside collection and ensure the viability of end-markets,

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which will contribute to the development of an improved Statewide waste minimisation and recycling program.

For products where kerbside collection is not a suitable option, there is provision for deposits or disposal charges. For industry's part, the Bill enshrines the principle of cradle-to-grave responsibility for its products and ensures participation by industry in waste reduction and recycling.

By means of waste reduction agreements, industry will be required to address weaknesses in the market. The Bill also provides for industry to be held accountable to ensure that environmentally damaging products are not sold.

The program, of which the Bill is part, does not deal only with post-consumer wastes. As these are only part of the total waste stream, the program also provides for increased composting of putrescible wastes and recycling of building rubble. The Environment Protection (Resource Recovery) Bill amends the Environment Protection Act 1970.

RECYCLE 2000

The Bill establishes Recycle 2000, which will promote and support recycling, waste reduction, waste management and litter reduction and advise the Environment Protection Authority on the contents of waste reduction agreements with industry. The membership of the Recycle 2000 board is a balance between industry, local government, conservation groups, unions and the State government, with an independent chair.

Recycle 2000 will finance programs developed by other agencies, particularly local government, or contract them out. It is not intended to be a service delivery body. Recycle 2000 can employ staff, but such overheads will be kept to the minimum necessary for effective administration.

WASTE MANAGEMENT COUNCIL

A Waste Management Council consisting of regional waste management groups, presently known as regional refuse disposal groups, will be established to improve waste management activities in participating councils and regions.

The council will be composed of Melbourne metropolitan regions. Other councils in the State may choose to join subsequently.

FUNDING

The recycling and waste reduction program will be funded principally by contributions from industry, a charge on waste creators, unredeemed deposits, charges on consumable goods and landfill levy. This will ensure that industries that produce products that can become wastes take cradle-to-grave responsibility for their products and contribute to recycling and reuse. The landfill levy is both an incentive to reduce waste and a source of funds for waste reduction programs.

Local government will take the lead for program delivery in waste management. Funding to councils from levies, charges and industry contributions will exceed contributions councils make through the landfill levy.

LANDFILL LEVY

There will be a landfill levy of \$2 per tonne in respect of waste collected by or on behalf of municipalities and \$3 per tonne in respect of other waste. This will be applied to municipal and private landfill sites for councils in regional waste management groups and servicing more than 5000 people.

Participation is voluntary outside the Melbourne metropolitan area, Bendigo, Ballarat and Geelong. However councils not participating will not receive support from the landfill levy or from Recycle 2000. At the moment there are only six formal groups, but it is expected that after further consultation most of the State will be covered within twelve months.

The levy is consistent with the May 1990 Natural Resources and Environment Committee Report *Waste Management in the Greater Melbourne Area*, which recommended financial disincentives such as waste taxes or charges to reduce the generation of waste, and it is consistent with the industry commission inquiry into recycling recommendations.

Landfill sites listed in schedule two of the Environment Protection (Schedule Premises and Exemptions) Regulations 1984, which are prescribed as a result of this Bill, will incur the levy. Only those sites serving 5000 or more persons and are in a regional waste management group may be prescribed.

This levy will apply to municipal and private landfill sites, but not to private sites that provide a service exclusively to the operator of the site for

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wastes generated by the operator's principal business.

INDUSTRY WASTE REDUCTION AGREEMENTS

Industry waste reduction agreements are in the form of a deed between industry manufacturing, importing or selling products, listed in Schedule B, and the Environment Protection Authority.

An agreement will contain undertakings by industry on measures to reduce wastes, minimise the impact of its products on waste disposal facilities and reduce litter. Where an item cannot be recycled the industry may enter into an agreement to pay up to 1 per cent per item towards reducing other kinds of wastes. Agreements will be required to be entered into by industries that contribute significantly to either the waste or litter stream.

Before the authority enters into an agreement it must consult with Recycle 2000. A company may enter into an agreement as an individual entity or may submit a standard form of agreement negotiated by an industry association. Where there is inability to reach an agreement the Bill provides for arbitration in accordance with the Commercial Arbitration Act 1984.

Agreements apply to items listed in Schedule B. This includes beverage containers, newspapers, magazines, phone books and take-away food and drink containers. These products have been chosen either because they are amenable to collection at kerbsides or are visible components of litter. Other items such as non-beverage tin plate and plastic containers may be added to this list by regulation at an appropriate stage in the future.

CHARGE ON WASTE CREATORS

The manufacturer of a product listed in Schedule B who is not party to an agreement with the authority will be required to pay a charge as a waste creator. The charge will cover the assessed cost to the community of recovering, recycling, reusing or disposing of that item. This provision provides an incentive for industry to enter into voluntary agreements with the EPA.

This charge will apply to an item sold for use in Victoria regardless of the place of manufacture. Exports are exempt and any item will be charged once only. The charge currently is limited to a maximum of 1 cent per item but, if this is insufficient to encourage industries producing scheduled items

to enter agreements with the EPA, it may be desirable to raise it. This will be done by seeking the agreement of Parliament to further amend the Act.

CONTROL OF ENVIRONMENTALLY DAMAGING PRODUCTS

There are currently no controls over products that may cause harm to the environment. It is preferred that this be addressed through industry codes of practice. However, for products not covered by a code of practice, environmental impact reports may be required for products which may be detrimental to any beneficial use of the environment as specified in any State environment protection policy or which do not comply with any waste management policy.

The sale of a product can be suspended for up to twelve months if an environmental impact statement has been required and is not produced or if the Environment Protection Authority, after examining the report, believes the product is harmful and the manufacturer or importer refuses to take the appropriate action.

Before a suspension notice on a product can take effect the report must be tabled in Parliament for ten sitting days, and can be disallowed by either House. These powers are not expected to be used frequently as responsible manufacturers or importers could be expected to adhere to a code of practice.

DEPOSITS AND CHARGES ON DURABLE GOODS

There is a need to provide for either deposits or charges on a range of items that are recyclable, but which are not suitable for kerbside collection. Regulation will prescribe which items are subject to such deposits or charges.

Batteries, tyres, oils and other items that present problems in landfills and collection of which would be improved if either a deposit or waste charge were levied may be prescribed. The amount of deposit and charges will be subject to a regulatory impact statement, which will ensure that the level set will be the minimum to achieve a satisfactory return rate.

WASTE MANAGEMENT POLICIES

Waste management policies will be used to establish recycling targets and provide for controls on problem municipal wastes. Policies will not be used to impose standards on local government for

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collection of wastes. Recycle 2000 will work with local government and industry to prepare codes of practice and guidelines to improve the performance of kerbside collection.

RECYCLING LOGO

The Environment Protection Authority owns a recycling logo, which has been adopted as the national symbol. This logo will be used to indicate products that are recyclable. The EPA will enter into agreements with manufacturers on the use of this logo as part of industry plans.

DISTRIBUTION OF LEVIES AND CHARGES

The landfill levy, charges on waste creators, unredeemed deposits and charges on consumable items will be paid into a Resource Recovery Fund.

The Minister will be able to specify an amount out of the Resource Recovery Fund, not exceeding 10 per cent, to cover costs to the EPA of activities arising out of the Bill. Initially, at least 90 cents per tonne from the waste disposal levy will be paid to Recycle 2000. The remainder will be paid to the Waste Management Council or to regional waste management groups which are not members of the council. The remaining moneys in the Resource Recovery Fund will be paid to Recycle 2000. It is anticipated that the combined contributions from industry will be of the same order as municipal payments under the landfill levy.

PERFORMANCE OF INDUSTRY

In recognition of the leadership shown by the glass and aluminium sector in resource recovery, certain undertakings are appropriate. A representative of that sector will be one of the industry representatives appointed to the council of Recycle 2000.

The financial contribution of this sector to current collection systems and internal transfer pricing mechanisms will not increase as a proportion of future total industry contributions, due to the establishment and operations of Recycle 2000 or the Resource Recovery Fund.

It is recognised that the recovery performance of this sector nearly reaches the targets proposed in *Waste: Better by Half*. Consequently the government undertakes that a detailed industry plan based on current operations and planned improvements within this sector will ensure approval of the plan.

Further, the EPA will approve only other industry plans that clearly demonstrate adequate transfer pricing mechanisms. Through this approval process the government's intention is to improve the recovery in other sectors and to equalise the cost of recovery across sectors.

As the recovery rates for glass and aluminium beverage containers are already significantly higher than for other sectors, the differential between the targets for glass and aluminium beverage containers and other sectors will not increase. The intention of the Recycle 2000 program is to increase the recovery rate of other sectors to approach the rate for glass and aluminium.

CONCLUSION

The Bill provides a comprehensive approach to reducing wastes going to landfill sites and conserving non-renewable resources. The Bill provides a framework in which the major stakeholders can come together to encourage and support waste reduction and litter control.

I commend the Bill to the House.

Debate adjourned on motion of
Hon. M. A. BIRRELL (East Yarra).

Debate adjourned until Tuesday, 3 March 1992.

PORTARLINGTON LAND BILL

Second reading

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

That this Bill be now read a second time.

The Bill authorises the revocation of part of the permanent foreshore reserve at Portarlington. The reserve covers a large area of Crown land situated along the Portarlington foreshore which was permanently reserved in 1883 for public purposes. A locally elected committee of management has been appointed under the Crown Land (Reserves) Act 1978 for the land.

The Bill excises a portion of the reserve which is currently illegally occupied. Eight adjoining private allotments between Fairfax and Simson streets have encroached onto an abutting strip of reserve land covering approximately 0.16 hectares. This strip of land is isolated from the remainder of the reserve by

The Esplanade. In some cases the houses built on the allotments partially extend into the illegally occupied area.

The encroachment is due to the incorrect alignment of fencing at some stage in the past. The illegality of the occupation of the land came to notice only recently after one of the owners applied for a building permit.

The situation poses a serious problem for the eight property owners involved. The Crown Land (Reserves) Act 1978 provides that reserved land can be used only for the purposes for which it is reserved and that the permanent reservation of Crown land can be revoked only by an Act of Parliament. Any sale or leasing of the properties would be void if the reservation over that land is not revoked.

Revocation will allow sale or lease of the land to the relevant adjoining owners. The Bellarine Rural City Council supports the proposal.

I make the following statement under section 85(5) of the Constitution Act 1975 of the reasons why clause 6 of the Bill alters or varies that section.

1. Clause 6 of the Bill provides that it is intended to alter or vary section 85 of the Constitution Act 1975 to the extent necessary to prevent the Supreme Court from awarding compensation in respect of anything done under or arising out of the Act.
2. Clause 5 of the Bill provides that no compensation is payable in respect of anything done under or arising out of the Act.
3. The Bill:
 - (a) revokes the reservation of certain Crown land;
 - (b) extinguishes all interests and rights over the land mentioned in paragraph (a).
4. The reason for preventing the Supreme Court from awarding compensation in this case is as follows:

to enable the Crown to change the use or status of reserved land, it is necessary to

ensure that the land is no longer subject to any interests or rights arising out of the former use. The existence of these interests and rights, and claims for compensation based on them or on the former use of the land, could delay or prevent a change in the use or status of the land that is for the benefit of the community as a whole.

I commend the Bill to the House.

**Debate adjourned on motion of
Hon. M. A. BIRRELL (East Yarra).**

Debate adjourned until next day.

MELBOURNE UNIVERSITY (HAWTHORN) BILL

Second reading

Debate resumed from 24 October; motion of Hon. B. T. PULLEN (Minister for Education and Training).

Hon. HADDON STOREY (East Yarra) — The purpose of the Bill is to implement a merger between Hawthorn Institute of Education and the University of Melbourne. It is one of a number of Bills that have come before this House resulting from the Federal government's policy adopted by the State government of having mergers and amalgamations of tertiary institutions in Victoria.

The Hawthorn Institute of Education is perhaps a little unlike many of the other institutions with which we have dealt in this House. It started off as the Technical Teachers College in 1954 and it became known as the State College of Victoria at Hawthorn in 1973. In those days the main purpose of the college was to train teachers who taught at technical schools.

In 1981 it became the Hawthorn Institute of Education under the provisions of the Post-Secondary Education Act. It has operated in Hawthorn and in recent years has developed its range of activities; in fact it has developed a high-profile, entrepreneurial set of activities.

Today it describes itself as an entrepreneurial institution of higher education which specialises in the provision of technological and vocational education and training for post-primary, TAFE and tertiary education as well as for local industry, commerce and government.

Those words are contained in the annual report of the Hawthorn Institute of Education for the year ended 31 December 1990.

One would expect the institute to be successful given that it is in the Province of East Yarra, which I have the honour to represent. Members of its council include the honourable member for Hawthorn in the other place, who has shown a keen interest in the activities of the institute.

At present the Hawthorn Institute of Education gains 40 per cent of its income from entrepreneurial activities, a substantial figure that shows the institute has developed its ability to provide valuable educational services both inside and outside Australia.

The entrepreneurial activities of the institute will not change as a result of the merger. A new entity will be developed: the institute will be incorporated as the Hawthorn Institute of Education Ltd, and in its capacity as a separate entity will be affiliated with the University of Melbourne. The education school at the Hawthorn Institute of Education will become part of the institute of education at Melbourne University.

The Bill is needed to give formal effect to arrangements to transfer the assets and, I suppose, the liabilities of the institute to the incorporated company. The Bill is also needed to deal with the real estate owned by the institute, part of which will be transferred to Melbourne University and part of which will be retained by the Hawthorn Institute of Education Ltd.

The Bill provides for the transfer of staff from the institute to the incorporated company and will enable students of the institute to be awarded degrees, diplomas and certificates by the university.

During debates on similar measures I have spoken about the process of amalgamations, mergers and affiliations forced on our tertiary institutions by the State government, so I shall not go over that ground today. Suffice to say the institute has been and will continue to be successful; and I hope this unique arrangement, which will enable the institute to operate as a separate entity, will give it the opportunity of further developing its entrepreneurial activities under the umbrella of Melbourne University. Student numbers have increased this year, and I hope the institute's affiliation with the university will ensure student numbers continue to increase.

I thank Professor Penington, the Vice-Chancellor of Melbourne University, and Dr June Hearn, the director of the institute, for their assistance in briefing the coalition on the Bill. I wish the institute well in its new relationship with the university.

The coalition is sure that the institute will continue to offer educational services that will be a credit not only to Victoria but also Australia, and that it will continue to set the pace in providing educational services both to students coming to Australia and overseas students who have undertaken courses offered by the institute. With those words, I indicate the coalition's support for the Bill.

Hon. P. R. HALL (Gippsland) — I support the Bill, as do my National Party colleagues. Over the past two years many similar Bills have been introduced to facilitate the amalgamation, merger or affiliation of higher education institutions in Victoria, brought about because of the quest of the Federal Minister for Employment, Education and Training for a unified national system of education.

Although the coalition has supported such legislation, in some instances we have done so with reservations. We believe many of the mergers and amalgamations have been forced on higher education institutions, and we predict that as a result problems will arise in the not-too-distant future.

The Bill provides for an affiliation process that is different from any other amalgamation, merger or affiliation that has been debated in the House; and the National Party is happy to support the endeavours of the university and the institute to put into effect an appropriate affiliation process.

The incorporation of the Hawthorn Institute of Education, under a company established by the university, is the first affiliation structure of its type. I understand a similar structure is being proposed to facilitate the affiliation between the University of Melbourne and the Victorian College of Agriculture and Horticulture, and I look forward to debating that Bill.

The incorporation of the institute was considered to be the best way of dealing with the entrepreneurial and commercial activities undertaken by the institute. Through such activities the institute has developed good relationships with business and industry as well as building up a strong market for the export of educational services.

As Mr Storey said, the institute raises some 40 per cent of its income through commercial activities such as consultancy work, research and development for business and industry and the offering of non-award courses on a user-pays basis. The institute should be commended for its commercial approach to the provision of educational services, particularly as they generate much needed income.

Clauses 11 and 12 provide for the transfer of land. I was intrigued to discover that some of the land will be vested in the company and some will be transferred to Melbourne University. The explanation given to members of the coalition is that the land to be vested in the company is land purchased by the Hawthorn Institute of Education and that the land to be transferred to the university is Crown land. Such arrangements are common practice in most of the legislation dealing with mergers and amalgamations that the House has debated. Suffice to say I am satisfied with the explanation given for the provisions contained in the clauses.

I understand adequate consultation has occurred and all parties affected by the affiliation agreement are satisfied that the terms outlined in the Bill meet their needs and that neither students nor staff in either of the institutions will be disadvantaged by the merger.

The coalition wishes the Hawthorn Institute of Education every success in the future. It is a strong and viable institution within the higher education network in Victoria that meets the needs of a market that are not readily met by other institutions. I am sure the new arrangement will make it grow and strengthen, and I wish it well in its endeavours.

Hon. E. H. WALKER (Melbourne) — By way of response to Mr Hall, the notion of a company limited by guarantee as a format for a college or institution of higher learning is not new. For years the Royal Melbourne Institute of Technology has been structured in that way, as has the Swinburne Institute of Technology. It is true that this is the first time that form has been used when an amalgamation has occurred with a major body such as the University of Melbourne, but it will work and is worth watching for the future. Perhaps other institutions will be managed in a similar way.

I do not believe Mr Hall suggested that the amalgamation was managed in a forceful manner. I have some personal knowledge of this. The

proposals some years ago were for the Hawthorn Institute of Education to amalgamate not with the University of Melbourne but with a nearby institution such as the Swinburne Institute of Technology or Victoria College. There were some attempts to convince the Hawthorn institute to associate with those institutions. However, the institute preferred the attachment to the University of Melbourne. It has been a most harmonious amalgamation and both organisations are pleased with it.

I am happy to sit proudly with June Hearn on the academic board of the University of Melbourne. I congratulate the Hawthorn Institute of Technology for developing its technical teacher training to a high degree. For many years it was the only technical teacher training institution in the State. It has developed its consultancy work and assistance to industry to a high degree and is leading the way in its entrepreneurial approach. I wish it well, and I am happy to see all parties supporting the amalgamation.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 6 agreed to

Clause 7

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

Clause 7, page 6, lines 5 to 11, omit all words and expressions on these lines.

The section referred to is now redundant.

Amendment agreed to; amended clause agreed to; clauses 8 to 17 agreed to; schedule agreed to.

Reported to House with amendment.

Passed remaining stages.

VICTORIAN CURRICULUM AND ASSESSMENT BOARD (AMENDMENT) BILL

Second reading

Debate resumed from 24 October; motion of Hon. B. T. PULLEN (Minister for Education and Training).

Hon. J. G. MILES (Templestowe) — The coalition does not oppose the Bill. The Bill increases the number of board members of the Victorian Curriculum and Assessment Board from 22 to 23; it provides that the chairperson of the board can be either a part-time or full-time appointment; it increases the number of executive members from 4 to 5; and it creates an office of general manager and permits the board to delegate powers to the general manager.

Overriding those four points, as outlined in the Minister's second-reading speech, the changes will enhance the management structure of VCAB and the representation of key sectors of the Victorian education community in the decision-making processes of the board.

Currently the chairperson of the board is a full-time appointment and the position combines the role of chairperson and chief administrator of the office of the board. The expansion of the activities and new complexities of VCAB mean that the dual role is too demanding, particularly as more and more students enrol for the Victorian certificate of education.

The new proposal will improve the facilitation of tertiary entrance, proper management, accountability and structure. It has become untenable for one person to do two jobs, consequently the coalition supports the proposal.

The separation of the roles of chairperson and chief administrator of the Victorian Curriculum and Assessment Board will contribute to the greater efficiency and effectiveness of the functions for which the board is responsible. The chairperson will then be able to concentrate on the broader issues of policy and associated education debates and discussions, which of course are many, whereas the general manager will have an administrative and financial role and be able to provide the necessary leadership to enable the organisation to carry out its functions efficiently and effectively. The coalition supports these proposals because they appear to make a great deal of sense.

The Bill provides that the chairman be either full or part-time; it also amends the constitution of VCAB by increasing the number of executive members from 3 to 4, which will increase the total membership of the board from 22 to 23 members. Big is not necessarily beautiful, and bigger is not necessarily more beautiful! The increase in the number of the executive will broaden the base of the membership to ensure that there is a wide representation of interests on the board.

Many members of the coalition's education committee have met with VCAB and its associated committee and subcommittees on a number of occasions. We have been impressed by the dedication of VCAB members to their jobs. We have also been impressed by the variety of education areas and spheres of activity that are represented on VCAB, which is a reflection of the increasing complexity of education. We do not in any way doubt the work done by VCAB, although we do have ideas for change when we come to government, not dramatically, but after proper examination. We have no doubts about the interest, dedication and hard work of the members of VCAB. The amendments contained in the Bill will make it even more efficient.

It is appropriate at this point to say that the coalition believes there are weaknesses in the administration of the VCE, which is VCAB's main job. Mr Ian Cathie, a former education Minister, recently criticised the VCE and its administration by the government and VCAB. Mr Cathie referred to education being hijacked by a group of ideologues and socialist devotees, thereby denying proper standards of education. He believes VCAB should improve its operations so that it is not detrimental to the interests of students studying for the VCE under difficult circumstances. That is a summary of the remarks made by a former ALP Minister, not the coalition. They should be borne in mind by the Minister and VCAB in their administration of the VCE.

The coalition believes 50 per cent of assessment should be by external examination; Australian studies should not be compulsory in year 11; and the mathematics and the English curriculums should be updated. The coalition believes the VCE should be undertaken in year 12 only and verification methods should be improved, because there are too many allegations of cheating and abuses of assessments, which are of great concern to the coalition and all people interested in education. These problems may

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not be the fault of VCAB, but they are someone's fault.

A long-running industrial dispute in the education area is relevant to the Bill. Threats were made against the VCE, and I believe VCAB and the government should be as concerned as teachers are about those threats. However, agreement has been reached with the two main teacher unions, so the VCE is not at this moment under threat. VCAB can continue its work without being under threat. The industrial dispute has caused difficulties for VCAB because the disputes rendered its work almost irrelevant. The teacher unions said to the Minister, "Unless you honour the industrial agreement we will boycott the VCE". The Bill would then have become totally irrelevant. We hope the industrial dispute is over and there will be no more threats to the VCE.

With those reservations and concerns about the operations of VCAB, the Ministry and the politicisation of the VCE, which has meant that VCE students are under pressure, we hope VCAB will be able to continue its work so that students following the new system will be able to complete their VCE this year and next year. We support the Bill.

Hon. D. M. EVANS (North Eastern) — I support the Victorian Curriculum and Assessment Board (Amendment) Bill. I am a member of the Victorian Curriculum and Assessment Board (VCAB) and have been since its inception, being one of six or seven people who have been members during the development of the Victorian certificate of education (VCE) and all the discussion on the controversy that has arisen about it.

I do not want to dwell on the VCE or to make any comments on the direction it has taken or will take in the future, or on the changes in decisions that have been made during the developmental phase of the VCE. I covered those matters in this House earlier in this session when Mr Storey's worthwhile motion on the VCE was debated.

The proposed legislation will assist in the effective operation of VCAB. Some weaknesses at the top of the administration of VCAB will be corrected by the provisions of the Bill. They are not the fault of the people in the administrative positions; they lie in problems associated with the structure of VCAB.

I was most concerned when some two years ago the then chairperson of VCAB, Dr Peter Hill, who had been in that position for some three or three and a

half years and followed the inaugural chairperson, Dr David Smith, retired from the position to become the Chief General Manager of the then Ministry of Education. Dr Hill had made an excellent contribution during his time as chairperson of VCAB. I was concerned that he left at a critical time in the development of the VCE, particularly in its implementation and introduction into Victorian schools.

In saying that, I am in no way reflecting on those who came after him but simply pointing out that as a result of that decision a break occurred in the continuity at the executive level of VCAB. Because the executive of VCAB is a small body comprised of four people, that break in continuity became of even greater significance.

When one considers also that Mr Frank Rogan and Professor John Legge, two other members of the executive, are only part-time members, each of them having significant other responsibilities — Professor Legge at Monash University and Mr Rogan in the Catholic Education Office — it is clear that the composition of the executive of VCAB becomes even thinner, so to speak. When there is a break in continuity as occurred when Dr Hill resigned, the effect becomes even more marked. With a slightly larger executive, the adverse effects of such a resignation can be mitigated to a certain extent.

The problems that arose because of the small size of the executive were further exacerbated by the fact that Professor Legge and Mr Rogan — as part of their career structure — were away on long service leave for some of the time and therefore not available for board meetings. That absence at a critical time would have been significantly ameliorated had the executive of the board been somewhat larger. The Bill will certainly assist in correcting that situation. I have considerable respect for the contributions made by both Professor Legge and Mr Rogan and in no way do I intend my comments to be critical of them. However, it is important to develop the structure further.

As Mr Miles said, the Bill provides that the positions of chairperson and general manager of VCAB will be held by two separate people. It is important at this stage of the implementation of the VCE that the chairperson of VCAB be available to answer publicly the legitimate concerns of the general public, the teaching profession, the students and their parents.

It is important also that the chairperson be available to go to various parts of Victoria, including country areas, and meet directly with those affected by the introduction of the VCE and its on-going implementation. The result will be a two-way feedback, directly to the board executive and to the people who are expressing any concern. The chairperson should be available to respond to genuine queries and concerns, to discuss them and give an explanation about aspects of the VCE and to suggest how any problems may be overcome.

The chairperson can also determine whether the concerns have any real weight. Frequently problems need only to be discussed. Communication must be undertaken, particularly at the school level, but more importantly at the individual level. The breaking of the nexus between the general manager and the chairperson of the board will significantly assist in that process. In addition, the fact that the general manager, who is vitally important to the operations of VCAB, will be held by a permanent member of the board will also assist on the administration side. They are two benefits that will be derived from the Bill. The third is the increase in the number of members of the executive.

My final point is that the executive has significant responsibilities on a day-to-day management basis and in week-to-week policy assessment and interpretation matters. Therefore it is essential that the executive has sufficient members and adequate continuity to carry out its tasks.

The proposed legislation is sensible. It reflects a sensible development of the VCAB structure and will allow it to properly meet the requirements of students. Honourable members will be aware that this year some 58 000 Victorian students are undertaking the VCE course. It is vitally important that the organisation that carries their future significantly in its hands is properly run. The Bill will assist that process. I give it my strong support.

Hon. R. S. IVES (Eumemmerring) — I strongly endorse and acknowledge the generosity of the comments of Mr Miles and Mr Evans. Both honourable members expressed warm support for the competence, hard work, dedication and variety of skills found among members of the Victorian Curriculum and Assessment Board (VCAB). Honourable members on both sides of the House will agree that although the past few years have been stressful, a significant amount of work has been done and considerable progress has been achieved. Dr Hill, Professor Legge and Mr Rogan richly

deserve the acknowledgment by Mr Evans of their contributions.

The changes introduced by the Victorian Curriculum and Assessment Board (Amendment) Bill are agreed to by honourable members on both sides of the House as well as those in the general education community. The difference in the roles of a chairperson and a general manager or chief executive is thoroughly understood by members of our society. People acknowledge that any organisation requires two people to fill two distinct roles. The first is wide-ranging and covers public relations, community contact, policy setting and a reviewing and monitoring role, which is properly that of a chairperson. The day-to-day management and administration of an organisation should be undertaken by a general manager or chief executive officer. The acknowledgment of the different roles will introduce more efficiencies and a higher level of effectiveness into the work of VCAB.

Similarly, the proposal to increase the size of the executive and general board is an acknowledgment of the importance of the operation of VCAB. The increases in numbers are thoroughly defensible and understandable.

I understand also why Mr Miles felt compelled to foreshadow and outline the opposition's policies on the Victorian certificate of education (VCE). However, this is certainly not the time for a debate on that matter. I acknowledge that issues regarding assessment, the range of studies available and compulsory subjects are still being finetuned. As they are still being considered room exists for negotiation, consultation, modification or change. The one thing honourable members on this side of the House do not want to see — and it is worth repeating time and again — is any move away from recognising that the Blackburn report had a vision. VCAB has been successful in translating that vision into a practical result.

When I was at school about 10 per cent of students who started high school completed the equivalent of year 12. In those days it made a good deal of sense to directly align the year 12 or matriculation exams with university entrance. Although some students may have gone on to become teachers, gone to the School of Mines or moved into professions such as accountancy, the final year of education was designed to equip a student for university, and it did it very well.

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But curriculum and methods of assessment designed to cater for 10 per cent of students are inappropriate today when between 75 and 80 per cent of students entering high school stay on to study year 12. It is to the credit of the Blackburn report that it recognised that today the old forms of curriculum and assessment could not be used for the much greater number of students attending school at the year 12 level. That is the central thrust of the issues that VCAB and the VCE have had to grapple with. On balance I believe VCAB has done a fine job with the VCE.

Much of the debate about assessments at the end of secondary education boils down to entry into a few faculties at two universities. The debate has revolved around the assessment of students for faculties such as law, medicine and veterinary science at one or two universities. The government has strongly resisted having the whole VCE assessment biased towards that aim.

I remind the House that various studies have suggested that private school students do better than their government counterparts in year 12. Whether it is because they are taught or coached better is immaterial; the evidence indicates that they do better.

Conversely, there is much evidence to suggest that the balance is redressed once the students participate in university life. At the end of the first year of university studies government school students have not only caught up but have passed their private school counterparts. One theory for that is that government schools require students to be more independent and to use their initiative. Those traits and attributes are encouraged by the VCE, and it will stand the students in good stead when they attend university.

Many of the problems would be resolved if universities offered common first-year courses in science and arts, at the end of which students could be streamed off to medicine, law, veterinary science or whatever. If universities were prepared to accept some responsibility in this area many of the problems raised in the current debate would disappear.

The Victorian Curriculum and Assessment Board (Amendment) Bill is not concerned with that debate. The Bill is an opportunity to acknowledge the fine work done by the people in VCAB. The current structure has worked remarkably well and the amendments will improve it even further.

I commend the Bill to the House.

Motion agreed to.

Read second time.

Passed remaining stages.

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Code of practice

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

That the Code of Practice for Exploration and Rehabilitation of Exploration Sites, dated 6 November 1991 and tabled in the House on 13 November 1991, be approved without amendment.

Hon. D. M. EVANS (North Eastern) — The code of practice has been developed to deal with the practical realities of the rehabilitation of exploration sites where the exploration will have a minor impact and is carried out without the requirement for planning approval by the local municipality.

The Mineral Resources Development Bill was a major exercise. Its development occupied departmental officers, Mr Michael Arnold, who headed an inquiry throughout Victoria, and a significant number of community interest groups for almost three years. The Liberal and National parties were also significantly involved in the development of the legislation, and I hope the legislation is better for that involvement.

Some of the provisions in the resulting legislation were almost diametrically opposed to the requirements and wishes of certain groups within the community. For example, the farming community expressed concern as to the effect mining operations would have on farming land. Many people in the conservation area had significant and legitimate concerns that if mining were to be carried out in Victoria it should meet the highest possible standards.

The mining industry is a significant contributor to the Australian economy and has the capacity to make a significant contribution in the future, as it has in the past, to the Victorian economy.

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Honourable members should not forget that all the raw materials on which our standard of living depends come from a farm, a forest or a mine. Therefore, it is essential in the vitally important area of mining that the legislation be practical and that it not place unnecessary restrictions in the way of the mining industry, yet it should protect the legitimate concerns of other interest groups that I have just mentioned.

A small proportion of the Mineral Resources Development Act referred to low impact exploration, which is clearly defined in the provisions of the regulations. It involves very minor disturbance of the soil and minor imposition on landowners or on public land, but it allows for the drilling of holes to go quite some distance into the soil and therefore has an impact.

It provides for what is known as a ditchwitch digger that can dig 15 centimetres in width and up to 1 metre in depth. That is not a very deep ditch; it is the sort of ditch that any farmer or other landowner might dig to lay a water pipe. The fact that it was done by mining companies was a matter of concern to landowners and to other groups in the community.

Access to private property is of concern. While that access can be allowed only after agreement has been reached with the landowner or public land authority, that landowner or public land authority can gain comfort from the provisions of the code of practice. The code of practice is enforceable: it sets the conditions under which a person or a company that has access to land for mining exploration must carry out the rehabilitation work. It is a prescriptive document which sets out conditions that must be adhered to. It is a practical, sensible and workable document.

But the fact that it has been introduced in this manner is significant. I indicated at the beginning of my remarks that the public consultation that took place over a long period during the development of the Mineral Resources Development Bill made it a better Bill. Similarly, the fact that there was a public process in place with this document has made it a better document.

While the Minister is in the House, I shall direct to his attention a minor concern that has been raised by my colleague in another place, the coalition spokesperson on energy and minerals, Mr Plowman, and the Prospectors and Miners Association of Victoria. Reference is made to the responses by the

Minister on 29 October last to questions from Mr de Fegely and Mr Connard about whether the Mining and Environment Advisory Committee set up under the Mineral Resources Development Act had been fully consulted when the code of practice was being drawn up, particularly as the code was to be tabled today in this House. Concern was expressed that consultation had not been fully carried forward. The Minister may wish to answer on that issue later.

I refer to a letter of 14 November 1991 from Mr Billingham, President of the Prospectors and Miners Association of Victoria. He refers to the fact that it appears that the consultation was not what was expected by the people who make up the advisory committee. Will the Minister comment on that in due course?

I shall go through the code of practice. Clause 1.6(3) at page 3 refers to the native vegetation clearance controls which apply currently under the Planning and Environment Act 1987. The document refers in specific detail to the provisions of that planning ordinance. While it is correct that section 16 is currently in place, there are two pieces of legislation currently on the Notice Paper for this House that would materially affect that legislation.

Hon. R. M. Hallam — One in particular would chop it out altogether.

Hon. D. M. EVANS — Exactly. The Bill would exempt any work under a low-impact mining and mineral resources exploration licence. I assure the Minister the coalition will pick up that amendment under clause 1.6(3). It may become redundant. While it can be seen as advice, a miner must obey the statutes and regulations. I direct to the attention of the House and the mining industry that the particular section may not last very long and the conditions could be different.

At page 4 of the document, clause 2.2(1) will be amended in this place. The original document said that in order to minimise environmental impact and facilitate effective rehabilitation of disturbed areas, activities carried out on an exploration licence should, so far as reasonably possible, be planned in advance. I understand the word "exploration" has been deleted and it becomes a general application. It is nonsense because the document refers only to low-impact exploration and is not generally applicable to mining throughout Victoria. There was no need to take it out. It should not apply generally.

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At page 8 clause 2.8(17) says that previously cultivated land may also require treatment using a disc plough. I think that is prescriptive and, in the circumstances contemplated in clause 2.8(17), a disc plough may well be an appropriate implement but other farm cultivating equipment could be equally appropriate or better.

Further on in the code of practice I have some genuine concerns, particularly in respect of clause 2.13 regarding fire precautions, and clause 2.14 is of particular concern. Clause 2.13(2) states:

Operations involving mechanised equipment should be provided with appropriate firefighting equipment. Equipment such as drill rigs should be provided with approved knapsack sprays and rake-hoes in addition to fire extinguishers.

If one is operating heating or other equipment in an area where there is a likelihood that fire could occur in a proclaimed area, there is a requirement under regulations that one must carry such a knapsack and take certain fire precautions. It is too loose simply to state that one should. I direct attention to the fact that anybody who relies on that particular statement could find himself or herself in contravention of the statutes on fire requirements in this State during a proclaimed fire period. One must carry a knapsack in certain circumstances, and that should appear in the document.

Clause 2.14(3) refers to fires that should be established in accordance with the Forest (Fire) Regulations 1978 and deals with fires at permitted camps or fires used at short-term stops. Again it is not a case of "should"; the fires must be lit in that particular fashion.

Hon. R. A. Mackenzie — Are you going to move an amendment?

Hon. D. M. EVANS — No, Mr Mackenzie, at this stage I am not. The provisions of the code of practice cannot override the existing legislation. The document will not protect people if they contravene the Act or regulations made by Parliament. In that area the code of practice is deficient.

With those finicky and nit-picking comments, I agree that the general direction of the document is excellent; it provides a first-class general direction for those who need to know how they should work.

Some contact has been made with me by constituent municipalities expressing concern that they have lost

the power to control low-impact exploration because of their inability to require that a planning permit be issued by the particular municipality. That issue has been raised in a document by the Municipal Association of Victoria. It would be wise for a miner or a mining company to consult with the local municipality at the low-impact stage to ensure compliance with reasonable conditions and to do that municipality the general courtesy.

Low-impact exploration is normally the first stage in what is hoped will be a major mine development. In that case it would be good sense, even putting aside courtesy, for miners to contact the municipal council.

The second point is that much of the exploration carried out under the low-impact provisions will be no more than a shovel-full of dirt here and there, a very small hole. Perhaps it will be a channel similar to a channel dug by a farmer to put down a pipeline. I do not believe local government would wish to be involved at that stage, although it would need to be involved later. I reiterate that it would be courteous and sensible for miners to contact local municipalities.

I support fully the code of practice now before the House — it is a further step in what I hope will be a successful way of meeting the competing needs and interests of people who may from time to time feel the impact of or earn their livings from the mining industry in Victoria.

Hon. R. A. MACKENZIE (Geelong) — This code of practice is a very important adjunct to the Mineral Resources Development Act. All honourable members will be aware of the public consultation that took place and the amount of time it took for that remarkable piece of legislation to run its course.

Speaking on behalf of members of the conservation movement I can tell honourable members that although it is not totally happy with the Bill it was pleased that many advances were to be made. It was perhaps only at the insistence of the opposition and because of its control of this House that the government did not take on board more of the concerns of the conservation movement.

It is a wonderful step forward to have the Code of Practice for Exploration and Rehabilitation of Exploration Sites brought before the House. Previously many codes of practice were handled by regulation and Parliament was not given a chance to debate, alter or reject them. In this case Parliament has the opportunity of commenting on, offering

suggestions about, and possibly proposing amendments to this code.

I agree with Mr Evans when he said that this code protects, to a fair degree, Crown land on which mining will be carried out. The only other code of practice I can remember being debated in this House was the code in relation to forestry and timber harvesting. At that time I expressed concern that the code was too open ended and that insufficient detail was provided with regard to many of its proposals. I know the House was not very pleased with me because I insisted on going through about 20 or 30 amendments on the last day of the sessional period.

I do not wish to be in the position of saying, "I told you so", but I am about to tell you so. Three logging seasons have passed since the code of practice on forestry and timber harvesting was passed by the House. The conservation movement has very closely monitored what has occurred. I will provide the House with four examples of what has happened since that code was introduced.

Current logging guidelines under the code of practice on forestry and timber harvesting provide, in relation to the removal of waste, that waste oil, all empty drums, discarded machinery parts and other waste must be removed. Results of monitoring have shown that over the past three years rubbish, including fuel drums, waste oil, oil filters and beer bottles, were left behind in 60 per cent of the areas that were worked.

The guidelines on track drainage say that tracks must be out-sloped or cross-drained immediately following completion of logging. What has actually happened is that 60 per cent of logging coupes had no cross-drains and 90 per cent had poorly constructed and therefore ineffective cross-drains.

Hon. R. I. Knowles — Isn't that a question of administration rather than the code?

Hon. R. A. MACKENZIE — The guidelines on the protection of retained vegetation provide that measures must be taken to protect, so far as practicable, retained vegetation. Any burning of logging debris must be planned and controlled so that so far as possible it is contained within the defined areas so that retained vegetation is protected.

What actually occurred was that in 68 per cent of logging coupes habitat trees left by loggers died in the regenerative fires caused by debris left piled up around the trees and in 46 per cent of the coupes

areas of forest meant to be retained had been burnt by the regenerative fires.

The protection of water quality guidelines provide that water quality must be protected by the retention of streamside and other vegetation within at least 20 metres of permanent streams. It has been found that streamside reserves were damaged by machinery in 87 per cent of coupes and that in 33 per cent the reserves had actually been logged.

So, while codes of practice are very important, they must be made as strong as possible. Further, as Mr Knowles rightly pointed out, they must be policed and supervised. There is no indication that anyone has actually been fined for any of the misdemeanours to which I have referred.

I support the code of practice before the House but I think it can be improved. I wish to move amendments to several of the clauses. I draw the attention of the House to clause 2.2 of the general principles, under the heading "Planning", which states:

- (1) In order to minimise environmental impact and facilitate effective rehabilitation of disturbed areas, activities carried out on a licence should, as far as reasonably possible, be planned in advance.

That is too vague: how do you define "as far as reasonably possible"? If the code is to be enforceable — these things are difficult to enforce — it must be more specific.

Clause 2.3, under the heading "Soil", states:

- (1) Soil disturbance should be kept to a minimum.

A stronger definition is needed. Clause 2.3(4) says:

Follow-up surveys should be conducted at appropriate intervals of time following backfilling.

Why not put six months? Why not have a set figure? What is a reasonable time? Can the Minister give his assessment of a reasonable time? It might be different from mine. It needs to be laid down by someone who knows. We need to be able to specify it. In my view six months would be a reasonable time.

Clause 2.5(3), which deals with plant diseases and weeds, says:

When equipment is moved to Victoria from interstate, or from one part of Victoria to another, it may be necessary to disinfect that equipment ...

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We all know plant diseases can be transferred on the wheels of trucks and equipment and we know cinnamon fungus and weeds can come from interstate, which can create enormous damage in forests. I suggest that when equipment is moved from interstate or from other parts of the State it must be disinfected. That would prevent the possibility of the spread of fungi and weeds.

Clause 2.6(1) says:

Buffer widths should normally be about 20 metres.

I think it would be better to say "buffer widths must be at least 20 metres". By saying "normally be about 20 metres" it is left wide open. If we are to have a code of practice, let us make sure we get it right after all the work that has gone into it. Subclause (2) says:

All reasonable steps should be taken to ensure that possible sources of contamination such as fuel, lubricants and drilling additives, are sited away from streams and drainage lines ...

That is not strong enough. It should read "possible sources of contamination must be sited away from streams". That is an argument Mr Evans put forward. Many of the codes suggest it would be better if the word "must" were used.

Clause 2.7(1) states:

Noise levels should not exceed the relevant Environment Protection Authority recommendations.

Again, the word "must" should be used. This provision states that the licensee should take all reasonable measures to avoid disturbance to native fauna, especially during the breeding season where disturbance may be disastrous. At certain times in spring it would be disastrous to go into an area during nesting or when animals are breeding. The mining companies should find out these things from the department. With all due respect, they do not have a good record. In some areas miners have left an awful mess.

Hon. D. M. Evans — That was 100 years ago!

Hon. R. A. MACKENZIE — I am talking about five years ago. There are nineteen provisions in this section and they all contain excellent advice, but most of them are unenforceable because of the looseness of the wording.

Clause 2.8(1) states:

Vehicular access to areas should, as far as practicable, utilise existing tracks rather than cutting new ones.

The words used there should be "must where track construction is likely to be difficult". I think the words "environmentally sensitive" should be added. That is an important inclusion. We ought to take into account the sensitive conservation and environment areas as well.

Clause 2.8(5) states:

The construction of new tracks by the licensee on Crown land should be carried out with advice from the Department of Conservation and Environment.

Again, the word "must" ought to be substituted for "should".

Clause 2.10(8) states:

Tape markers should be removed where practicable at the termination of the survey or licence.

It should read "must".

Clause 2.11 relates to archaeological and historic sites. There are many obligations under the Act and "should be conversant" ought to read "must be conversant".

Clause 2.12 relates to stock and crop disturbance. The words "reasonably practicable" should be removed. What do they mean? They leave the whole thing wide open.

Clause 2.13 deals with fire precautions. I commend this provision. Camp sites are an important point. Perhaps gas stoves rather than wood fires should be used, but that is not too important.

Most of what I am saying is repetition. I do not want to waste time but there are a few other points that need attention. Clause 3.3.4 relates to seismic surveys. Subclause (6) reads:

Auger and detonation holes should be rehabilitated and made safe by back filling as soon as practicable after the shot is fired.

The entire provision is unenforceable. In the draft code the words were "immediately after the shot is fired". I think that wording is preferable.

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Clause 3.4 relates to rapid trench sampling or ditchwitching. This could never be classified as a minimal disturbance. Previously it read:

Ditchwitch trenches should not be excavated within two metres of trees over 150 millimetres in diameter.

Now it reads:

Ditchwitch trenches should be sited with a view to minimising significant damage to the roots of large trees.

It would have been better if the original wording had been retained because it was much stronger. The wording is vague. The draft code also originally read:

Ditchwitching should not normally be carried out on slopes greater than 10 degrees.

The "should" ought to be changed to "must". These are genuine concerns.

As I said before, the government is to be congratulated on the work, consultation, argument and debate that have gone into the Bill and the code of practice. It seems to me that now we have reached the final piece in the jigsaw; if we do not make these minor alterations we will finish up with a code of practice that is unenforceable. Based on the premise that the mining companies are reasonable and very keen to do the right thing — I should like to say most of them are but we have to make allowances for the irresponsible ones; there are irresponsible people in all organisations — we still need to write a code of practice that will protect the environment and be enforceable.

Although I certainly support the code of practice I foreshadow the amendments I have mentioned. Therefore, I move:

That the code of practice be committed.

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I oppose Mr Mackenzie's motion that the code of practice be committed.

The Mining and Environment Advisory Committee considered the code before its introduction. The code was actually prepared by the department but was examined by the committee. Some amendments were agreed with and incorporated. The committee made some comments on the use of the words "should" and "must". It was not appropriate to

incorporate the outcome of some of those discussions quickly as inadvertent changes to the meaning may have been made.

It has been agreed that the Mining and Environment Advisory Committee should further review the code early next year, and we would appreciate copies of any specific amendments that Mr Mackenzie has, for the benefit of the committee.

All members of the committee have supported the introduction of the code in its present form but not as a final position. We believe some of the proposals that Mr Mackenzie has made at least have merit.

The code is a key part of the control mechanism for exploration in Victoria. The new Act is now in place from 6 November and if we do not have a code of practice we do not have an adequate method of dealing with rehabilitation; therefore we need a code of practice now.

Two changes have been made in the code. Two words have been deleted following discussion with the honourable member for Evelyn, Mr Plowman, in another place. In one place the code now reads "licence" instead of "exploration licence", and "species" instead of "native species".

We accept the point that the existing code of practice is not the final position for the code, but we need a code now because we cannot afford to operate the new legislation without a code. Some of the proposals have merit. We shall certainly take on board the general argument that Mr Mackenzie has expressed this afternoon, and any specific amendments he has in addition to the comments he has made will be welcomed by the Mining and Environment Advisory Committee. We will then make available to Mr Mackenzie and to the opposition the outcome of the committee's deliberations early in the New Year.

Mr Mackenzie may wish to consider the issue further in this place at the appropriate time, but because the legislation has been passed, because a code has been drawn up by the department and examined by the Mining and Environment Advisory Committee, because agreement has been reached by all parties in another place — which has agreed to the code of practice without amendment — and notwithstanding the fact that some of the arguments put forward by Mr Mackenzie have merit and ought to be considered by the Mining and Environment Advisory Committee, it is not appropriate that the code of practice be committed and amended here

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today because we could then have a protracted process, whereas what we have at the moment is a code of practice that, for the time being, has the agreement of all parties.

That does not mean to say that the code should not be subject to change in the future; I believe it will be, and it will be changed in the context of some of the remarks that Mr Mackenzie made.

For that reason I oppose Mr Mackenzie's motion that the code of practice be committed today, but I foreshadow that there will be an opportunity to take Mr Mackenzie's remarks into account.

Hon. R. I. KNOWLES (Ballarat) — The coalition supports the Minister's approach to Mr Mackenzie's proposed amendments. He has stressed, as Mr Evans has done, that the important issue is that we have the cooperation of all parties. One of the points that Mr Mackenzie was really making about the Code of Forest Practices was that it was not the code that was wrong but that its administration left something to be desired. I think we will have a far better chance of getting a well managed code of practice if all the parties involved are committed to it.

As the Minister has said, the department and the advisory committee have gone through a fairly extensive process to get together a code which is comprehensive and to which they are committed. However, there is an undertaking that that will be further considered and that the code will be brought back for consideration in this place.

The opposition considers that to be a more appropriate mechanism for getting the best possible code of practice than the House trying to amend it today, which may lead some of the parties that are currently committed to the code to withdraw some of their commitment. Therefore the opposition will support the government on this point.

Mr Mackenzie's motion negatived.

Mr White's motion agreed to.

CRIMES (CONFISCATION OF PROFITS) (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time for Hon. M. A. LYSTER (Minister for Health) on motion of Hon. D. R. White.

VICTORIA UNIVERSITY OF TECHNOLOGY (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

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

RETAIL TENANCIES (RENT REVIEW) BILL

Introduction and first reading

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) introduced a Bill to amend section 10 of the Retail Tenancies Act 1986 and for other purposes.

Read first time.

Second reading

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

That this Bill be now read a second time.

The Retail Tenancies Act 1986 was introduced to protect the rights of small retailers who in the past did not receive full protection from the law when entering into lease and rental arrangements. Subsection 10(1) of the Retail Tenancies Act 1986 provides that a clause in a lease of retail premises which provides only for the same or an increased rental following a rental review — that is, does not permit a reduction in rental — is void.

It has been a commonly accepted practice in leases of retail premises to have a rent review clause providing for periodic adjustments of rental based upon a percentage increase in the belief that such a provision is not in breach of section 10(1) of the Act.

The Supreme Court has in two cases recently considered whether such a clause is in breach of section 10(1), and the two judges differed in their interpretation of the section. In the first case it was held that a clause providing for an annual increase of rental by a fixed percentage did not infringe section 10(1). Approximately one month later another judge concluded that a similar provision did

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infringe section 10(1) and to that extent was void. The judge considered that the expression "review" as used in section 10(1) meant "alteration". The former decision is in line with commonly accepted commercial practice, the latter is not.

The second decision has caused doubt over the legality of the rent review provision in a considerable number of existing leases of retail premises. Representatives of the industry groups concerned have indicated that the associated uncertainty is affecting the negotiation of new leases.

Although section 10 goes on to provide a mechanism for fixing rental in circumstances where the rent review provision in the lease is declared void, it has been estimated that the cost in valuation fees involved would be of the order of \$15 million, which amount would be borne equally between landlords and tenants. There is no certainty as to the outcome of such valuations. An immediate amendment of subsection 10(1) is therefore essential to restore certainty and confidence in the industry and is supported by both landlord and tenant representatives.

If the second court interpretation were to prevail the possibility arises of substantial repayments or further collection of rents. As some leases date back to the commencement of the Act it is necessary to give the amendment of this subsection retrospective effect to that date.

The Bill further proposes the repeal of subsection 10(2) of the Retail Tenancies Act, which provides that a clause in a lease which fixes rental by reference to any index of prices, costs or wages or in any similar manner is void. This has had the particular impact of prohibiting the use of the consumer price index in leases for setting rents.

The Office of Regulation Reform, Department of Small Business, has recently completed a review under section 26 of the Act. Further amendments to the Act are anticipated after this review has been fully considered. In the course of its review the Office of Regulation Reform received overwhelming support from persons representing both landlords and tenants for the repeal of the subsection. The consumer price index has been accepted by commercial tenants and landlords as an acceptable reference point for agreed changes in rental payments. It is accordingly proposed to repeal this provision and permit rental to be fixed by reference to the consumer price index.

The government has received representations from the Building Owners and Managers Association (BOMA), which has indicated its concern about the uncertainty created by the second Supreme Court decision.

Hon. R. I. Knowles — When did that decision come down?

Hon. K. M. Smith — 25 July 1991.

Hon. D. R. WHITE — I would have said approximately August, but I am happy to be guided by what Mr Smith has said.

The government had regard to the representations of BOMA and sought advice from groups representing major tenants, particularly those in the central business district. Given the timing of the introduction of the Bill it is not unreasonable for the opposition to foreshadow that it would prefer to deal with the measure at the beginning of the next sessional period. I am not opposed to that time frame. However, I shall take steps to contact BOMA to establish what, if any, predicament that causes for it.

In those circumstances I request that the debate be adjourned for no more than seven days so the prospect for debating the Bill this session remains open.

If exceptional circumstances arise the Bill may have to be dealt with. In the normal course of events the Bill would be dealt with next session, but I should be grateful for the opposition taking steps to contact BOMA between now and next Thursday to discover whether any hardship is created for it if the Bill is not debated until the next session.

I commend the Bill to the House.

Debate adjourned on motion of Hon. K. M. SMITH (South Eastern).

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

That the debate be adjourned until next day.

Hon. K. M. SMITH (South Eastern) — The opposition will certainly consider the Bill, but at this stage I am of the opinion that it will not be ready to debate the Bill during this session.

STATE INSURANCE OFFICE (SALE) BILL

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Motion agreed to and debate adjourned until next day.

STATE INSURANCE OFFICE (SALE) BILL

Message from Assembly relating to Council's suggested amendment made by Assembly considered.

Referred to Committee.

Amended clause 10 agreed to.

Reported to House without further amendment.

Passed remaining stages.

RACING (BETTING COMPETITIONS AND MIXED SPORTS) BILL

Second reading

Debate resumed from earlier this day; motion of Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs).

Hon. J. G. MILES (Templestowe) — In deference to the belated desire of the government to act quickly in doing its duty to pass legislation, my contribution will be brief and concise. The coalition does not oppose the Bill. The purpose of the Bill is, according to the explanatory memorandum to the Bill:

... to amend the Racing Act 1958 to provide for the conduct of approved betting competitions at a prescribed venue at Ballarat and to provide for payments into and from a Mixed Sports Gatherings Fund.

Clause 4 is designed to amend:

... section 116BU(1B) of the principal Act to provide for the conduct of an approved betting competition at the venue known as the Old Ballarat Village situated at 623-643 Main Road, Ballarat.

Ballarat is well served by many distinguished people, including of course the local members — in this House, Mr Knowles and Mr de Fegely. They have advised the coalition committee on sport and recreation about this Bill.

It is acceptable and desirable that a second Tabaret be established at the Old Ballarat Village; the local

residents want this adjunct to the Melbourne Tabaret. It will be a beneficial extension of the present building at Ballarat and will be good for employment prospects.

The unemployment situation in Ballarat is very serious, and is similar to the situation applying in other parts of the State. Ballarat may be the worst-hit provincial centre — and I am sure no other centre would wish to challenge that claim. There has been much publicity recently about the unemployment problems in Ballarat.

The establishment of a Tabaret by a reputable operator — a well respected person in Ballarat, according to the advice of the two local members — will be an asset to the city and will help alleviate some unemployment problems. It will enhance the popularity of Ballarat as an important sporting and economic provincial centre.

The other aspect of the Bill to which we have no objection concerns clause 6, which, according to the explanatory memorandum:

... amends section 119 of the principal Act to establish a Mixed Sports Gatherings Fund in the Treasury into which is paid twenty-nine seventieths of the stamp duty paid by bookmakers in respect of bets made at Mixed Sports Gatherings.

For example, the Stawell Gift is a carnival of national and international repute, as the Minister said during his second-reading speech. That event deserves recognition because of its tourism potential. Other carnivals such as the Bendigo 10 000, where bookmakers field, also deserve to be encouraged.

The Bill has been the subject of representations to the government and to the opposition. For some time we have suggested that change should be made so that a proportion of bookmakers betting turnover tax should be returned to those conducting mixed sports gatherings where bookmakers field.

As I said, for some time the opposition has received representations about the Bill, and agrees with the provisions contained within it. The opposition strongly supports the measures; for a welcome change the government has done something important and significant in this area. Far from not opposing it, we support this Bill because it reflects the thinking of the coalition parties.

The second-reading notes state:

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After consultation with the Treasurer it is proposed to make provision for such organisations to receive the same return from turnover tax collections as do country racing clubs.

Both amendments as proposed by the Bill will benefit communities in rural Victoria, as well as those specifically referred to through the establishment of the Tabaret extension at Ballarat, because of the provision for a return from the bookmakers taxation to organisations; the measure will positively affect other country centres. In today's precarious environment any sporting activity associated with legal betting that can help provincial centres should be supported. Many rural centres have serious problems and the Bill will assist them. The opposition does not oppose the Bill.

Motion agreed to.

Third reading

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — By leave, I move:

That this Bill be now read a third time.

In doing so, I thank the opposition for its support, and in particular the members who have supported it. They have recognised the worthwhile and important initiatives announced by the government in this Bill.

Motion agreed to.

Read third time.

ABATTOIR AND MEAT INSPECTION (AMENDMENT) BILL

Second reading

Debate resumed from 9 October; motion of Hon. B. T. PULLEN (Minister for Education and Training).

Hon. R. S. de FEGELY (Ballarat) — The Bill is an important one in that its main purpose is to amend the Abattoir and Meat Inspection Act and to preserve the associated regulations governing meat inspection.

In 1985 the government gave the Public Bodies Review Committee the task of reviewing the meat industry and meat inspection services and, following

its deliberations, it handed down a report on 28 November 1990.

That date is important because under the Parliamentary Committees Act if the Parliament does not act within the twelve-month period that expires on 28 November this year the report becomes law.

Certainly it was not the government's intention that that should happen, and as a consequence the Bill has been introduced to extend the operations of the Victorian Abattoir and Meat Inspection Authority to give the government time to introduce additional legislation to cover meat inspection services in future.

The opposition could suggest that the government has been somewhat slow in acting in this regard, but I suppose it can be excused because there have been a number of Ministers for Agriculture in recent times, which has perhaps caused some disruption to the smooth running of such matters.

No doubt what has been started by one Minister may not have been picked up by the next, so the future position still has not been determined, and hence the Bill has been introduced to allow for time for this to occur.

I have no doubt that the present Minister intends to hand over future meat inspection services to the single authority — the Federal body known as the Australian Quarantine and Inspection Service. Should this occur, the coalition would be concerned because the history of single meat inspection authorities leaves a lot to be desired.

The intention to have one authority is quite at odds with the recommendations of the Public Bodies Review Committee. I do not want to go through the committee's recommendations in depth because my colleague Mr Smith, who was a member of the committee at the time of the report, will do so, but I point out that the committee recommended that the Victorian Abattoir and Meat Inspection Authority should be disbanded and replaced with a Victorian meat establishment licensing authority. The committee recommended that any future increase in licence fees should occur only in line with the costs of operating the authority, but should not exceed the State consumer price index.

The Abattoir and Meat Inspection Act provides for export meat processor representation on the authority, and the suggestion was that that

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provision be repealed. In addition the committee recommended that the following principles be adopted for meat inspection: that there be a national meat inspection service; that the service be an independent service with integrity — and I think that is important; that the service be accountable to both government and the industry; and that the domestic service use meat inspection standards that take account of regional differences.

It also recommended that export meat establishment licensing be the responsibility of the national organisation that is responsible for meat inspection, but that a Victorian meat establishment licensing authority be established with primary responsibilities for the licensing of domestic meat establishments.

The Minister may be moving away from those aims because quite obviously he did not want to accept the recommendations of the Public Bodies Review Committee; otherwise he would have allowed those recommendations to be introduced on 28 November.

The history of meat inspection is interesting. Until 1973 meat inspection in this State was under the health department in conjunction with local government. After 1973 it became the responsibility of the agriculture department, and it operated until recently under the Department of Agriculture.

Since 1984 until now the government has been very much in favour of a single meat inspection authority, and those honourable members who have been in this place since 1986 would recall that a former agriculture Minister, Mr Evan Walker, introduced a Bill to hand over meat inspection to the Federal body. The measure was strongly opposed by farmers, processors and the opposition, and the Bill was defeated.

Prior to 1986 the Victorian government contributed 25 per cent and the Federal government contributed 50 per cent towards the cost of meat inspection, and we would suggest that it is reasonable that the State and Commonwealth should contribute on behalf of the people because, after all, we are talking about a health issue. The cost should not have to be picked up solely by the producers or consumers. It should be a joint arrangement whereby the producers, consumers and, one hopes, the processors would all share part of that cost.

Later, in the Minister's efforts to persuade the industry that we should go Federal with meat inspection, some changes were made. He did a great

deal of research among the farming community and much lobbying in his endeavours to persuade the various parties that meat inspection should become a Federal responsibility. At that time he removed the Victorian government's contribution of 25 per cent and suggested to the farming organisations that, because the Federal government was paying 50 per cent of the cost, they would be better off if meat inspection were taken over at the Federal level.

I well recall having meetings in this place with the Victorian Farmers Federation, which had been persuaded by the Minister that it would be in its best interests to go Federal.

I recall their coming to us and saying that if we agreed with the Minister about going Federal the Minister would draw up a Bill to that effect. We found that a most extraordinary situation. It was almost blackmail in a way, because the Minister said that the farmers could be reimbursed by 50 per cent if this went Federal. He said he would draw up a Bill provided the Liberal and National parties agreed to go Federal, but he would not draw up a Bill unless we gave that assurance.

We argued strongly that we wanted to see the Bill before we were prepared to commit ourselves. In the end, although the Liberal Party argued strongly that meat inspection should not go Federal — and we are still strongly of that view — the Victorian Farmers Federation and the National Party at that time agreed that it was the best thing to do. The government then had the numbers and meat inspection was transferred to the Federal body.

An assurance was given by the then Minister, Mr Walker — and I am sure he has been embarrassed about it since — that there would be a continuation of the 50 per cent subsidy. Nothing was in writing. We had nothing from the then Federal Minister, Mr Kerin, or the then Federal Treasurer that gave us any assurance that the percentage would continue to be paid. Of course history has shown that the subsidy was subsequently withdrawn.

One reason why we were so concerned about the Commonwealth Meat Inspection Service was the experience that occurred in Mudginberri in the Northern Territory, and I am sure honourable members would remember that famous case. It was the interference by the Federal body of meat inspectors that caused the strife and the strikes which were eventually broken because of the implementation of section 45 of the Trade Practices

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Act, which won the case for the proprietors of the Mudginberri abattoir.

That abattoir had overseas contracts; it was killing mostly buffalo; it was earning good money for the Northern Territory government and for Australia as a whole in export income; and it was earning very good money for its employees. The battle was finally won and it was a landmark decision. We were concerned that, because of the militant actions of the Federal Meat Inspection Service, this type of industrial unrest could spread to other States and we did not want it happening in Victoria.

The Bill is somewhat different from the Bill originally introduced in the other House. After pressure from the coalition it was amended by the government — rightly so — and it was extended to make certain provisions about pet meat establishments. We are pleased the Minister saw fit to do so because the provisions were unreasonable and would have imposed considerable cost on small pet meat retail outlets.

However, we are concerned that the report published in April this year by the Domestic Meat Inspection Working Party appears to have been ignored. This document was commissioned by the previous Minister for Agriculture and Rural Affairs, Barry Rowe, in November last year in response to industry concern about the efficiency and cost of domestic meat inspection services.

The working party comprised people of expertise in a number of sections of the industry, including members of the agriculture department. It was chaired by Mr Kinsella, Manager, Quarantine Inspection Service of the Department of Agriculture. It included economists, Mr Keith Leamon, Manager, Quality Assurance, of the Department of Agriculture, representatives of the Meat and Allied Trades Federation of Australia and members of the Victorian Farmers Federation, the four representatives of which are all people with considerable knowledge and expertise in the pastoral industry in Victoria.

This comprehensive report has been totally ignored by the Minister in drawing up the Bill. Whether he intends at a later stage to take note of it I do not know, but I certainly hope so. The report states:

The working party was of the view that the domestic industry would be best served by a move away from on-line inspection procedures to quality assurance (QA) and total quality management (TQM) programs,

subject to external audit and appropriate sanctions for breaches of QA agreements. The establishment of up to six pilot QA schemes is proposed as a forerunner to the general adoption of QA programs by industry.

The Minister has made no mention of being prepared to move towards quality assurance programs. I have no doubt that if people really wanted to beat the current meat inspection service, they could do so. We have heard a lot of outrageous statements being made recently by the Minister about problems in the meat industry, including drugs and money laundering, but these statements have not been backed up. Although the meat industry has had a fairly chequered career over the years and has always had some less than desirable people in it — as history proved in the substitution racket and other misdemeanours — the statements that the Minister has made in recent times have not been backed up with any degree of fact.

It is irresponsible for a Minister of the Crown to make such statements unless he is prepared to back them up with evidence.

In the past few days outrageous statements have been made about the proprietors of the Camperdown abattoir, if not directly, then certainly by implication. Totally unjustified claims have been made about the failure of the proprietors to pay rates to the Camperdown council, and outrageous charges have been made about the working hours of the manager of the establishment.

Such statements by a Minister of the Crown are uncalled for and unbecoming, to say the least. One does not expect such conduct from a responsible Minister.

One of the reasons why there are so many problems with the meat inspection service is that a Federal body is responsible for running Victorian export abattoirs. Such operations are easy to delay by the making of what can be described only as nitpicking union demands that are designed to support industrial militancy.

That is one of the reasons why the coalition believes a better system of meat inspection is needed. A system based on random inspections would be more efficient and would reduce the high cost of having meat inspectors on premises at all times.

If the industry were unsure when inspectors would call, the onus would be placed squarely on processors to continuously provide quality products.

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If such a system were established the industry would be more efficient and meat inspection services less costly.

The demands made by unions whose members work in the meat inspection industry are nothing short of extraordinary. The Ararat abattoir closed in April this year and has not reopened, not only because the owners financially overstretched themselves but also because of the high cost of meat inspection services. The owners were faced with a bill of \$800 000 for what is not a large abattoir.

The abattoir at Daylesford faced similar problems but was able to cope until faced with having to pay the 3 per cent increase in employer superannuation contributions. The burdens imposed by those extra costs soon forced the abattoir into receivership.

Handing over all Victorian meat inspection services to the Commonwealth will neither reduce costs nor improve the system. Nevertheless, the coalition supports the Bill for the simple reason that it will allow the Victorian Abattoir and Meat Inspection Authority to continue to operate until a wholesale review of its operations can be made, which will allow this government, if it is still in office early next year, to introduce further legislation to make the meat inspection service more efficient.

As soon as it comes to office a coalition government will be delighted to take over the role of legislating to improve the operations of the authority and to implement the recommendations of the Domestic Meat Inspection Working Party and the Public Bodies Review Committee.

The meat industry is one of Victoria's most volatile industries, to say the least. Despite that, it has a wonderful future, which is why it is necessary to ensure that Victorian stock is slaughtered in Victoria instead of sending it at great cost to be slaughtered in New South Wales, Queensland and South Australia.

We must do everything we can to make our meat industry viable and rid it of the anarchy that currently bedevils it, if we are to properly serve the farming community and Victorian consumers and to rebuild what was a flourishing export industry.

Recently the Premier claimed that the amount of meat exported interstate has increased in recent years. Although a narrow reading of the figures may prove that statement to be correct, it must not be forgotten that much of that meat is slaughtered

interstate only to be returned to Victoria to be packaged and processed — and exported again. What a highly inefficient way of running an industry!

The whole operation, from slaughtering to processing, should be carried out in Victoria; and we must do all we can to ensure that the industry flourishes rather than allowing it to be sabotaged, as has been the case in recent times. The coalition regrets that it is not debating a Bill that would streamline the industry, and that that is not so is solely the result of government tardiness.

The coalition does not oppose the Bill and believes it is necessary that it be passed before the end of the sessional period.

Hon. P. R. HALL (Gippsland) — The principal purpose of the Bill is to extend the life of the Victorian Abattoir and Meat Inspection Authority (VAMIA) until it can be restructured and renamed, the need for which is urgent.

The report of the Public Bodies Review Committee on its inquiry into the operations of VAMIA recommended a wholesale review and renaming of the authority. For example, the inclusion of the words "meat inspection" in the title of the authority is obsolete because it no longer functions as a meat inspection service, its purpose now being to supervise the licensing of Victorian meat establishments.

The second-reading speech makes it clear that the intent of the Bill is to transfer responsibility for licensing to the Commonwealth government through the Australian Quarantine and Inspection Service. As reported at page 700 of *Hansard* of 9 October 1991, the Minister said:

There are potential efficiencies for the provision of meat inspection services and meat establishment licensing operations to be carried out by one organisation. The government is concerned to ensure that potential efficiencies within the meat processing industry are realised.

In this respect the Department of Agriculture has initiated discussions with the Australian Quarantine and Inspection Service to examine possible arrangements for more closely linking licensing operations with the meat inspection service.

When speaking of the past record of the Australian Quarantine Inspection Service in the meat industry

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Mr de Fegely used the words "not good"; I go further and say it is appalling. Its record and involvement in meat inspection gives me no confidence to hand over the licensing function to it. Its inspection procedures have contributed to the demise of abattoirs in Victoria and throughout Australia. Unless some of the inefficient practices of that organisation are eliminated, giving it further responsibility will worsen the crisis in the meat industry.

The meat inspection system changed in 1988 when responsibility for that function was given to the Commonwealth. After some initial reluctance the proposal was agreed to by the coalition, but only on the understanding that the Commonwealth government would share 50 per cent of the cost of meat inspection and the industry would share the remaining 50 per cent. The rules have now changed. Not long after the meat inspection service was handed over to the Commonwealth the industry was directed to pay 60 per cent of the cost of the service with the Commonwealth paying 40 per cent; from 1 January this year the rules were changed again, the industry now bears the full cost of the inspection service.

I do not object to the user-pays principle, but it should not be used as a means of shielding AQIS from delivering an inefficient service. AQIS is grossly inefficient and the impact of its inflated fees and charges, along with the outrageous activity of the Australasian Meat Industry Employees Union, have forced many Victorian abattoirs to the wall. There is a crisis at the Camperdown abattoir and there have been problems at Wodonga and Seymour. An export abattoir at Sale has been forced to close because of the excessive costs of meat inspection as well as the activities of the AMIEU.

To illustrate the inefficiencies displayed by AQIS I refer to two newspaper articles. The first is an article in the *Australian* of 25 April this year entitled "Meat inspectors 'paid to do nothing'". It states:

Of the \$64 686 paid to AQIS for an inspector, the salary component is about \$30 000; the industry claims the rest is "wasted" on excessive administrative costs.

I cannot believe the cost of administration of the system should be greater than the cost of the labour input. The administrative cost is approximately \$34 000. No industry can exist if a service like that has such grossly excessive administrative costs.

The same article states:

NSW Farmers Association council member Mr Don Hubbard said yesterday there were many instances in which inspectors worked five hours for a full day's pay, and were "paid to do nothing".

"There is a practice called 'lapping' in the abattoirs, where two groups of inspectors swap from being on the kill floor to watching television in the amenities block," Mr Hubbard said.

They are examples of the sorts of inefficiencies in AQIS.

I refer the House to an article in the *Herald-Sun* of 21 May this year entitled "63 inspectors, no abattoirs". The opposition's primary industry spokesman, Mr Lloyd, reportedly said:

Sixty-three Federal meat inspectors live in towns that do not have abattoirs ...

They cost up to \$118 000 in travelling expenses each year — and more than \$800 000 to be kept on as relief for the other 1630 inspectors.

That demonstrates the gross inefficiencies when there are 63 meat inspectors living in towns and cities throughout the State that do not have abattoirs. The article then reports a comment from a spokesman of AQIS:

An Australian Quarantine and Inspection Service spokesman, Mr John Flannery, said yesterday some of the inspectors had been offered redundancy, but they cannot be sacked because they are public servants.

Why should the industry bear the cost of decisions made by governments which mean those meat inspectors cannot be redeployed to other areas?

I believe in the principle of user pays, but it cannot be used to shield the inefficient practices of AQIS. The actions described in those newspaper articles are disgraceful and the industry is paying for the inefficiency.

I was a member of the Public Bodies Review Committee that reviewed the Victorian Abattoir and Meat Inspection Authority. Without exception every abattoir and slaughterhouse we visited during the course of that inquiry told us of the outrageous behaviour displayed by meat inspectors. Abattoir owners said they were a law unto themselves. We heard of the "lapping" behaviour described in the newspaper article; the inspector who had a day off to go to the races with the consequences that the

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killing chain could not operate; the inspector who had a hard night and rolled up to work 2 or 3 hours late so that the production line of the abattoir could not operate; an inspector who shut down the plant while he spent 15 minutes in the toilet having a smoke. AQIS has no rules or regulations; the inspectors do what they like and they have assisted in the demise of many abattoirs.

The committee heard claims that inspectors deliberately slowed down the operation of meatworks when the proprietors of abattoirs complained about unprofessional behaviour.

AQIS does not have a system of accountability. It is a law unto itself. When the people who administered the service were questioned they said there was no accountability. They tried to reprimand inspectors but no punitive action could be taken because they were members of the Public Service and they could not be sacked.

I now refer to the state of the meat industry in Australia but particularly in Victoria. The cost of processing cattle in Australia is \$193 a head. This compares with the cost in the United States of America of \$88 a head, less than half the cost in Australia.

The labour cost of \$111 a head to process cattle in Australia is triple the labour cost of \$36 a head in the United States. The average cost of processing sheep in Australia is \$11.99 a head; in New Zealand it is \$8.40 a head. Why is it dearer to slaughter cattle and sheep in Australia? Much of the difference in cost can be attributed to the gross inefficiencies in our meat inspection services and also the outrageous activities of the AMIEU.

Although national beef exports to Korea have increased by 66 per cent and exports to Japan have increased by 14 per cent, Victoria's share of these exports has slumped by 14 per cent and 30 per cent respectively. While our nation's beef exports are increasing, Victoria's contribution is decreasing. Victoria's mutton exports to Japan have plummeted by 44 per cent and to the Middle East they have plummeted by 58 per cent. It costs \$126 a head to slaughter, bone and export a beast from Victoria compared with \$93 in New South Wales.

Industrial disputes led by Wally Curran and the AMIEU have been the major cause of the demise of Victoria's meat industry. We have seen clear evidence of that in Camperdown, Seymour,

Wodonga and in many other abattoirs throughout the State.

In the *Age* of 26 April an article with the headline "Anxiety and anarchy in Victoria's meat industry" states, in part:

The stand by the NFF reflects the growing militancy of farmers. Many claim that unless there is change Victoria could lose its export industry within the decade. The meat dispute, one of the biggest industrial disputes in Victoria in the past ten years, has cost an estimated \$120 million in lost export earnings, and last year 137 000 working days were lost.

I and all other honourable members know that we cannot afford to lose anything like \$120 million in export earnings. We cannot afford to lose even the \$1 million that the strikes in the meat industry have cost the Victorian public during the past twelve months. The article continues:

According to the Victorian Farmers Federation, the number of export works in the State has dropped from nineteen to ten since 1980 and export capacity has tumbled — 40 per cent for cattle and 30 per cent for sheep.

I mention those figures because they are alarming and they should be of concern to all who have an interest not only in the meat industry but also in Victoria's economic situation.

The Bill relates to both meat inspection and meat licensing. The Commonwealth government service has been abysmally inefficient, costly and extremely poor, and that is why I am reluctant that other responsibilities be transferred across to a Federal organisation.

Licensing charges for meat establishments in Victoria have increased significantly and therefore have contributed to the economic hardship faced by abattoir and slaughterhouse owners. Abattoir and meat inspection fees were increased by regulation under statutory rules dated 24 September 1991. The Minister for Agriculture, Mr Baker, was the responsible Minister.

The licensing fees for export abattoirs have been increased by \$335 a year to \$742. The fees were increased twice. There was a 100 per cent increase in export abattoir fees, which is minor when compared with the fee increase for small local abattoirs that slaughter up to 15 000 units annually from \$335 to \$1590, a fivefold or 500 per cent increase.

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There is a graduated scale of licensing fees, the largest of which is the fee for local abattoirs that slaughter over 400 000 units annually. Their fees have increased from \$335 to \$5300. Honourable members may think \$5300 is not a large amount given the total output of an abattoir, but some abattoirs are reasonably small establishments and those increases, along with meat inspection charges and the costs of strike action by meat workers and unions, have contributed to the severe financial hardship that abattoirs now face and are the reason why so many of them have now closed.

Hon. R. A. Best — With a loss of jobs!

Hon. P. R. HALL — An export abattoir closed in my electorate during the past twelve months with the loss of 24 jobs. The fees were increased under a Premier's certificate with no impact statement or consultation being taken into account.

The meat industry in Victoria is at the crossroads. It has been steadily declining in output during recent years. Some abattoirs were forced to close because of their own inefficiencies but the inefficient practices of government authorities have also largely contributed to their demise.

The Bill puts on hold the reform of the licensing functions of abattoirs in this State until there is a further review and discussions take place with the Federal government to decide who should perform that function. I warn the government that during the time deliberations take place until the final decision is made we must do something positive about meat inspections.

The Federal authority is appallingly inefficient and must be improved. As a result of the inquiry by the Public Bodies Review Committee it was recommended that consideration should be given to privatising the meat inspection service and having random checks undertaken by Federally appointed meat inspectors. Self-regulation can work; it can be more efficient.

The government is handing over the function of licensing to a Federal authority that in the past has not served the Victorian meat industry well. I look forward to the matter being dealt with again in the House because I can say here and now that if the government recommends transferring licensing across to the Australian Quarantine and Inspection Service I shall certainly oppose it.

Hon. G. R. CRAIGE (Central Highlands) — I am pleased to follow in the debate led so well by Mr de Fegely and Mr Hall, who have expressed some general views about the Bill. In my view they have given a clear picture of the current position of the Victorian meat industry.

The purpose of the Abattoir and Meat Inspection (Amendment) Bill is to extend the life of the Abattoir and Meat Inspection Act 1973. I, like Mr Hall, sound a warning to all those involved in transferring the licensing function to the Federal body, about which I have grave reservations.

I was employed by the Victorian Farmers Federation when the transfer of the meat inspection services occurred, and I was against such a transfer because I could see what would happen: the meat inspection service would become more inefficient and costs would escalate. We cannot afford any further escalations in the costs associated with the meat processing industry.

In November 1990 the Public Bodies Review Committee handed down a report that has received a significant level of attention in the debate both here and in the other place. I shall refer to that later.

If the Minister for Agriculture had any intestinal fortitude he would have addressed the problems being faced by those in the meat processing industry. He has failed to do so although two matters obviously need to be addressed. The first is the industrial relations problems experienced with the Australasian Meat Industry Employees Union (AMIEU) and the second relates to the inspectors and the inspection authority.

The Minister for Agriculture is merely spreading rumours among those in the industry, having been fed lies by members of the AMIEU. It is wrong for him to create such confusion and cause morale among all those in the agricultural sector in Victoria to fall so low. It is a disgrace that he talks irrational and emotional nonsense, referring to crooks involved in the industry and people who have been responsible for others having fingers missing, and so on. It is all nonsense and gobbledygook!

The Minister for Agriculture should be addressing himself to rectifying the problems that are being faced; he should not be creating the uncertainty that he is creating. The government has had plenty of reports and suggestions on what constructive measures it can take.

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Hon. R. M. Hallam — The problem is that most of them came from Wally!

Hon. G. R. CRAIGE — I do not know about that. In 1990 the Public Bodies Review Committee handed down a report on the Victorian Abattoir and Meat Inspection Authority. In 1991 the then Department of Agriculture and Rural Affairs issued a report entitled *The Domestic Meat Inspection Working Party*. In 1991 the Australian Industrial Relations Commission made some clear recommendations after inquiring into the meat industry. If the government had tackled some of the problems on the basis of the recommendations it has received, many of the difficulties could have been resolved.

A lot of games are being played in the meat processing industry by Mr Curran and Mr Bird, as representatives of the AMIEU, in conjunction with some operators — some managers and some owners — and officers of the government. It is time the games stopped. Like a few other people, I have read the report of the Public Bodies Review Committee. The minority report of Mr Ken Smith highlights some of the real deficiencies and he has made some constructive recommendations. When he first became involved in the inquiry, Mr Smith knew nothing about meat inspection. In fact, he was a plumber; a man who knew a lot about clay but did not know a lot about meat. In a short time he was able to grasp the extent of the problems in the industry and he offered some constructive recommendations to overcome those problems.

If the Minister for Agriculture had the same ability as Mr Smith has demonstrated, he would do something about the problems confronting the meat industry in Victoria. It says a lot about the Minister that he has done nothing about the problems in the meat processing industry. He quite clearly works with the AMIEU and supports its tactics.

The role of the Victorian Abattoir and Meat Inspection Authority is to conduct inspections of meatworks and all other areas of the meat processing industry. Licences are issued with code numbers 1 to 8, dealing with various areas of the meat processing industry. It is interesting but frightening to reflect on who are the members of the board. I have a computer print-out from the Victorian Abattoir and Meat Inspection Authority that details all the licences issued to 1 October this year. It is assumed that at heart the members of the board are interested in improving the lot of the meat processing industry in Victoria but I was confused

when I saw who they were. One is nominated by the Minister for Ethnic, Municipal and Community Affairs as a representative of local government authorities operating abattoirs. However, not one such local government authority appears on the list of those to whom abattoir licences have been issued. One is tempted to ask the question: why is a representative of local government authorities on the board if there is no such authority with a relevant licence? One is tempted to ask also: should the board not be comprised of members who represent people who are actually involved in the industry?

Another member of the board represents the meat workers; that representative is Mr Curran. I do not know if honourable members are aware that the board works on a consensus basis. That is, if even one person disagrees about the issue of a licence, the licence is not issued. As I said, it is assumed the board would be made up of people who clearly have at heart the interests of all those involved in the industry. Members of the board should not represent the interests of just one section of the industry.

The Minister for Manufacturing and Industry Development has said in this House that he and officers of the Department of Manufacturing and Industry Development are having discussions with many individuals and companies in the meat processing industry. He referred to Bunge. I have searched my computer printout to discover what licences Bunge hold and have found that it is not a major player in the industry.

The computer list that I have from the Victorian Abattoir and Meat Inspection Authority indicates that licences are issued under the following codes: 1. export; 2. local; 3. slaughterhouses; 4. meat premises; 5. meat inspection depots; 6. knackery; 7. pet food establishment; and 8. retail pet meat shop.

Bunge Meat Industries, Post Office Box 1036, North Richmond, Licence P0003, Code A4 — which is a meat premises — trading as I. C. Kun and Sons, Barkly Avenue and Rooney Street, Richmond, has only one licence. It does not have an export licence or a local killing licence but a meat premises licence, which is the only licence it holds in Victoria.

The major players in the meat processing industry usually hold two licences, either an export or a local abattoir licence and a meat premises or a meat inspection depot licence. Yet Ministers of this government are talking to companies that hold only

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one licence; in this case, a licence for a meat premises! If the government were fair dinkum about the meat processing industry it would talk to the major players in it — those who hold export and local abattoir licences, not those who run a butchers shop. That is the reality of the situation.

I shall refer the House to the disaster, the charade, the nonsense and the stupidity that has occurred with the reopening of the Seymour Abattoir. The former process for issuing licences was that prior to 30 September each year a renewal notice was sent out, an inspection would take place and the licence would be issued with a list of items that needed to be attended to so that the abattoir could continue. The licence was issued conditional on the work being done.

This year the system changed. Three months before the licence was due a renewal notice was sent out, an inspection occurred and the work was to be completed before the licence was issued.

On 4 June 1991 a notice of works totalling five pages was sent by Mr Terry Truscott, the Chairperson of the Victorian Abattoir and Meat Inspection Authority (VAMIA), to Mr Brian Groves, the Manager of the Seymour Abattoir. Some of the items raised are an indication of what is wrong with this whole process:

- 5. Maintain environs in a tidy condition to avoid the attraction of vermin ...
- 7.8 Repair gates and provide with strong positive latches ...
- 8.8 Repair/replace damaged or missing coving at wall/floor junctions ...
- 12.7 approved hand drying system ...

Under section 29 (1)(c) of the Act the authority is empowered to suspend or cancel your licence where these works have not been completed within the time specified in this notice.

I have a real problem with that document. It is so broad that the management of the abattoir did not even know what VAMIA was talking about; management could not work out what it was all about. The inspection was done by Mr David Masters, who produced only four pages of items that needed to be remedied, but head office sent out five pages, so quite a few items had been added.

There was continual discussion and correspondence between management and VAMIA, both at the local level and with head office. Management wanted

specifically to know what areas were to be rectified because it was having difficulty finding that out. I want to place on the record that David Masters at least can hold his head high because he did not become caught up in the politics of the issue. As a local inspector he did a damn good job. People such as David Masters try to do the right thing but get caught up in the politics of VAMIA, the Department of Agriculture and Wally Curran. Masters is a good man and a good inspector.

Confusion reigned from the time the people tried to set up the Seymour Abattoir until it received its licence. The confusion became so great that on 24 June this year the Secretary of VAMIA, Robyn Brazier, wrote to Mr Groves:

The authority asked me to contact you to inquire as to what are the precise intentions for the establishment ...

Honourable members should keep in mind that there had been discussions, meetings, and telephone calls yet Mr Groves received a letter from VAMIA asking what was going on. Although an inspection had taken place and certain faults had been found the abattoir still received this letter. Can anyone imagine a business person receiving such a nonsensical letter as this!

Mr Groves had many conversations with Mr Richard Crossing, the deputy chairperson of VAMIA. He also had many conversations with the secretary of VAMIA before the letter was written. They all knew about his intentions. I am about to unravel a minefield of events leading up to describing how Seymour Abattoir eventually obtained its licence. To say the least, it was jungle warfare. Seymour Abattoir had to deal with VAMIA, the Environment Protection Authority, the inspection service and the health and safety branch of the Department of Primary Industries and Energy, the pressure vessels and occupational health and safety sections of the Department of Labour, Corporate Affairs Victoria and the Public Service unions. Mr Groves had to deal with all of those organisations before he could get the abattoir off the ground.

Seymour Abattoir continually sought specifics about the works that needed to be done so that they could be costed. The abattoir sought assurances from VAMIA so that it could commence its operations. Once there was agreement on the specific action required, the work commenced and management was assured that the licence would be issued immediately. It was advised that Mr David Masters

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would determine whether the specifics had been met. The assurances were given by none other than the chairperson, Mr Truscott, and the deputy chairperson, Mr Crossing, of VAMIA.

Work commenced on the basis of those assurances. In some cases the work exceeded the requirements laid down by the inspectors. At all times direct consultation was going on. When the work was nearly completed Mr Groves wrote to the chairperson of VAMIA and said that he would supply him with the list of all the work that had been done and was prepared to meet with the board of VAMIA so that they could try to resolve any outstanding matters and put in place a proper procedure to complete the works.

As a board meeting was listed for 25 July Mr Groves advised VAMIA he would be available to speak to board members to let them know about the works. On 23 July Mr Crossing rang Mr Groves and said it was not convenient for him to attend the board meeting on 25 July and there was no need for him to be there because VAMIA could handle the matter.

After the works were well under way, on 2 September Mr Groves wrote to the new secretary of VAMIA, Lee Lansbury:

The necessary capital base having been achieved, we will commence a concentrated works program to be completed by 30 September 1991. If this schedule is not met then completion will be as soon as possible after that date. However, the majority of the list of works will be completed by 30 September 1991.

Management of the Seymour Abattoir received a letter of 13 September from VAMIA, which states:

The authority resolved that unless works as specified on the notice of works issued on 4 June 1991 are completed by 30 September 1991 your licence for the 1991-92 period will not be issued ...

If you decide to appeal you must do so in writing to the Minister for Agriculture within 30 days of receipt of this letter.

That was accepted by the management at Seymour. They did not appeal because they had firm assurances that if they carried out the work and Mr Masters approved, the chairman had the authority to issue a licence without having to go to the board. The chairman informed them that once everything had been checked a licence would be issued.

On 25 September 1991 Mr Groves wrote to the Secretary of the Victorian Abattoir and Meat Inspection Authority and said:

We understand that we will lose our licence from 1 October 1991 unless we have completed the works program to the satisfaction of our local VAMIA inspector David Masters.

I have individually inquired of senior representatives of the VAMIA board to ensure that there will be no delay in issuing a licence ... as soon as the work program is satisfactorily completed.

That was the clear intent, even though they knew they could not meet the deadline. They had a commitment by the chairperson and the inspector that they would receive a licence.

The work was completed on 14 October and an application for a licence to operate a local abattoir was lodged. A cheque for \$4770 for licence No. L00077 was sent to the authority. Prior to that application, three directors and Mr Groves received a firm assurance from Mr Truscott, who said that he had discretionary power to approve licences without going to the board and he would approve the licence when the local inspector, Mr Masters, approved the work that had been carried out. Mr Groves was confident that, once the application and the cheque had been sent to the authority, the abattoir would receive a licence.

On 21 October a final inspection took place and Mr Masters and Mr Crossing turned up for the inspection. The deputy chairman and Mr Crossing said that additional work had to be carried out. On that day Mr Crossing said that particular areas did not meet the requirements.

Mr Masters presented Mr Groves with a handwritten note of the requirements and said that the two areas in dispute could be remedied after the abattoir had begun operation, one being the beef viscera trolley wash area, which had to be moved to a clean area and the other was a shield to be provided for the beef splitting saw.

Mr Masters inspected the premises on 24 October and recommended that a full licence for beef and mutton be issued. Mr Groves contacted Mr Truscott and said that he had received the all-clear for a licence to be issued. Mr Truscott said, "I am sorry, but it has to go to all board members before I can give you a licence".

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This is the same man who said that he was willing to issue a licence immediately! He sold them out and Mr Groves had to go through the board to obtain a licence.

A licence to slaughter mutton was issued on 31 October, some seven days later. A beef licence was not issued until the other matters were completed. The beef licence was issued on 8 November. The mutton kill commenced on 4 November and the beef kill commenced this week.

This sort of nonsense should not happen when such companies are trying to create jobs and put value into our product. I have a great deal of admiration for the director of that company, the management, the farmers, the workers and their families: they have put up with hell from the VAMIA and are now putting up with hell from the authority and inspectors. They deserve a better deal.

**Debate adjourned on motion of
Hon. R. I. KNOWLES (Ballarat).**

Debate adjourned until next day.

TEACHING SERVICE (FURTHER AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

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

WATER (ELECTIONS) BILL

Introduction and first reading

Received from Assembly.

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

VICTORIA UNIVERSITY OF TECHNOLOGY (AMENDMENT) BILL

Second reading

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

That this Bill be now read a second time.

PURPOSE OF THE BILL

The purpose of this Bill is to delete from the Victoria University of Technology Act 1990 land used by Royal Melbourne Institute of Technology (RMIT) which would otherwise transfer to Victoria University of Technology as a consequence of amalgamation arrangements previously entered into.

Victoria University of Technology was established in July 1990 through the merger of three institutions providing programs for students from throughout Victoria, but with a particular focus on those from the western suburbs of Melbourne.

The Act establishing the university provided for a staged process of implementation, with existing councils remaining in place on a temporary basis, but being dissolved on an appointed day when staff and the assets and liabilities of the former institutions transfer to the new university. At the same time property vested in the Crown and used by the institutions will transfer to the university in keeping with common practice in the establishment of Victorian universities. The land cannot be disposed of without approval of the Minister.

In keeping with the government's policy of voluntary amalgamations the Act provided for a limited period during which any of the institutions could elect to withdraw from the amalgamation. This option was exercised by RMIT earlier this year.

The government has been greatly encouraged since that time by the rapid development of strategies for strengthening the Victoria University of Technology. It is expected to receive early recognition as a major institution with significant research strengths and a wide range of high quality undergraduate and postgraduate programs to serve the western region of Melbourne and the rest of Victoria.

MAJOR PROVISIONS OF THE BILL

Clause 1 sets out the purpose of the Bill. Clause 2 provides for the Bill to come into operation on the day on which it receives Royal assent. Clause 3 makes consequential amendments to section 56 of the Victoria University of Technology Act 1990. Clause 4 provides for the substitution of a new schedule to the Victoria University of Technology Act 1990, which omits land used by RMIT.

I commend the Bill to the House.

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

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Debate adjourned until next day.

ADJOURNMENT

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — I move:

That the House do now adjourn.

Auditor-General's report

Hon. R. I. KNOWLES (Ballarat) — I raise a matter for the attention of the Minister for Manufacturing and Industry Development. On Tuesday, 29 October, in answer to a question from Mr Hallam about the Auditor-General's report, the Minister said that the government would be providing a detailed response to the report "probably during this week — perhaps on Thursday". The next day, in speaking on the motion on the Auditor-General's report moved by Mr Hallam, the Minister said there would be a government response within the next fortnight. That period has elapsed.

This is an important issue and I seek an unequivocal commitment from the Minister that the government will provide a detailed response to the report early next week, in sufficient time for it to be debated.

Honourable members and the community take the Auditor-General's report seriously and the opposition seeks a clear undertaking from the Minister that a response will be made available prior to the end of the sessional period.

Government office accommodation

Hon. B. A. CHAMBERLAIN (Western) — I raise for the attention of the Minister for Manufacturing and Industry Development, as representative in this place of the Minister for Finance, a grotesque example of gross incompetence by the Department of Labour. I raise the matter in a financial context because of the need for the Ministry of Finance to oversight leasing and similar activities.

The matter comes to notice through today's report of the Department of the Legislative Council. The lease on an area of office accommodation in Nauru House used by Parliamentary committees was due to expire in June of next year. Without bothering to refer the matter to Parliament to determine Parliament's wishes in the matter, the Department of Labour renegotiated a new lease that is due to expire

in 1995. Some of the area used by the Parliament at Nauru House has fairly inadequate accommodation.

The report states that the department said that it was sorry that it had inadvertently overlooked referring the matter to Parliament. The Parliament is now stuck with a lease that will run until 1995 for an area of accommodation that is deficient and the department says, "Bad luck, we forgot about it".

I wish to know how frequently this sort of thing happens in relation to other agencies. Given that it is a lessees' market and you can virtually name your own terms, I ask the Minister to raise this issue with the Minister for Finance and request that procedures are tightened up so that this sort of incompetence is not repeated.

WorkCare

Hon. R. M. HALLAM (Western) — I raise a matter for the attention of the Minister for Consumer Affairs, as the representative in this place of the Minister for Labour, concerning what has become generally described as the incidence of double dipping in respect of WorkCare claims.

Two separate decisions that could cost the Accident Compensation Commission tens of millions of dollars were handed down in Victorian tribunals this week. In my view the decisions are contrary to the intention of this Parliament and natural justice.

Firstly, earlier this week the Accident Compensation Tribunal — —

Hon. T. C. Theophanous — It was a decision of the Supreme Court.

Hon. R. M. HALLAM — I will come to that decision — I said there were two decisions. Earlier this week, pursuant to the Workers Compensation Act 1958, the Accident Compensation Tribunal awarded a \$69 250 lump sum to a widow following the work-related death of her husband. That is quite proper and I do not raise a question mark against it, except that the widow had already received a lump sum of \$80 600 under the Accident Compensation Act 1985 for the death of her husband.

The Accident Compensation Act expressly prohibits the receipt of weekly benefits under either Act but a loophole has been discovered with respect to lump sums.

The second decision, handed down by the Full Bench of the Supreme Court on Tuesday, was the subject of a report in yesterday's *Age*. The Full Bench held that the lump sums awarded under the table of maims should not be deducted from any subsequent common law claims, as had previously been the practice. The head of the Accident Compensation Commission, Mr Andrew Lindbergh, has outlined the financial consequences in no uncertain terms.

The Accident Compensation Tribunal decision discriminates against workers or their dependants who have received lump sums under the previous legal regime, and both cases have opened up an absolute legal minefield. The Supreme Court decision opens up the possibility of past beneficiaries seeking to recover the amounts of their table of maims settlements.

I cast no aspersions on either the Accident Compensation Tribunal or the Supreme Court. The decisions may have been very proper, but the fact is that in neither case does the decision reflect the intention of this Parliament.

In my view the Minister should take urgent action to clarify the law to deal with a situation that has the potential to get completely out of hand.

Victoria College, Prahran campus

Hon. HADDON STOREY (East Yarra) — I raise a matter for the attention of the Minister for Education and Training. Honourable members may remember that on 29 October in question time I raised the problem of staff at the Prahran campus of Victoria College who were concerned because they did not know whether they would have jobs next year. The Minister said he would investigate the matter and provide me with an up-to-date answer.

This afternoon I met with members of the staff of the Prahran campus who advised me that the problem still exists — it does not appear to have been addressed in any way since I asked the question on 29 October.

It appears that job offers are being made to the academic staff of the institution so they know what their positions will be next year upon the transfer of the various courses to the Victoria College of the Arts and Swinburne Institute of Technology.

However, the non-teaching staff of the Prahran campus have not received any job offers. They have no knowledge of what will happen and it is

apparent that no agreement as to what will happen to the staff has been reached between the three institutions concerned. When the transfer of the courses takes place next year they will still be located in Prahran. It is extraordinary that the academic staff will be there but there will be no support staff to do all the various tasks required, commencing with the enrolment of students.

I ask the Minister to make sure somebody takes charge of this process and ensures that all appropriate arrangements are made swiftly so the staff know where they stand and next year's students will have an operating system to provide for their educational needs.

Southern Citizen Advocacy

Hon. G. P. CONNARD (Higinbotham) — I raise a matter for the attention of the Minister for Municipal, Ethnic and Community Affairs, who represents the Minister for Community Services in this place. It concerns an organisation called Southern Citizen Advocacy, which is located in the Southern Region and which provides a one-to-one personal relationship that focuses on integration, normalisation, independence and self-esteem building, community access and participation and advocacy for the disabled generally but primarily for the intellectually disabled.

The volunteer advocates assess their partners' needs with respect to accommodation, health, access to living skills programs, budgeting, shopping and requirements such as guardianship. Many people who require this sort of service are hidden from society.

This is an excellent service and has been running for some years. A first-class coordinator brings it together but it requires an additional outreach worker. The primary role of the coordinator is to get volunteers for advocates in this service. These advocates do their work after some training.

This year the program applied to the Community Service Victoria community support service with a proposal for \$21 323.78 to cover the wages of an outreach worker who would enter the many residential services in the Southern Region to seek out those people with disabilities who have no families or other support and who have been lost in the system. At the same time the outreach worker brings in other volunteers as advocates in this service.

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If the worker is not provided there will be a huge gap and it will cause a range of problems. The organisation has been advised that the amount requested is too large but that the proposal itself had considerable merit. The Minister for Community Services will make the final decision this week and it would be appreciated if the Minister for Ethnic, Municipal and Community Affairs could discuss this with the Minister in the other place as a matter of urgency. Even if the amount were half that proposed, it would continue the very valuable service for the disabled.

I ask the Minister to deal with the issue as a matter of urgency because it comes with my complete and utter recommendation as a valuable, viable and necessary service. I support its integrity and the application the organisation has made regarding the shortage of money. If the amount is too large, a smaller amount would permit the service to continue and would be acceptable.

I add that the organisation is involved in fundraising and is doing very well, and a grant would be a considerable incentive to offer when submitting to trusts or foundations for further contributions. This is an excellent organisation and I would be grateful if the Minister would express my support for it.

Public demonstrations

Hon. G. H. COX (Nunawading) — I raise a matter for the attention of the Minister for Health, who represents the Minister for Police and Emergency Services. I ask the Minister to produce a report on two areas of conflict: the recent violence at the Camperdown abattoir and the demonstration by a group of residents in North Carlton in relation to public housing. It seems that with all the violence and so on —

The PRESIDENT — Order! The honourable member may raise only one matter.

Hon. G. H. COX — I ask the Minister to report on the comparison between the two incidents. The police were involved with the meatworkers, who are very active and vocal and who have a capacity to defend a particular point of view and have done so very vigorously in Camperdown.

By comparison the North Carlton group of residents, who are older citizens and people with children, protested about the development of public housing in an area where they wanted to retain parkland.

My point is that at Camperdown there was not one arrest but at the incident involving the ordinary residents there were five arrests. This concerns me. It seems that in certain circumstances there are no arrests but among ordinary citizens there are —

Hon. T. C. Theophanous — Are you casting aspersions on the police?

Hon. G. H. COX — I ask the Minister to report on the two incidents and explain why there were five arrests in one area and none in the other.

Hon. D. R. White — It is a matter for the police!

Maternal and child health nurses

Hon. R. A. MACKENZIE (Geelong) — I raise a matter for the attention of the Minister for Health and refer to the concern expressed by the Rural City of Bellarine in regard to maternal and child health nurses (MCHN). I have received advice from the Australian Nursing Federation (Vic. Branch) that the government proposes to cut two-thirds of the salary subsidy for the maternal and child health nurses relieving staff. If this subsidy is cut, during a three to four-month period there will be no maternal or child health nurses available in the Bellarine city area.

As the Minister is aware, the maternal and child health service is accessed by families at a critical point in their development — early parenting. The arrival of young children brings about a change in the lifestyle, priorities and concerns of families.

The Minister will also be aware that, because it is accessible and people have worked hard to develop it, the maternal and child health service provides a place where families can turn for support in times of crisis for advice, referral to other services and social networking, health surveillance, and even education.

In the current political and financial climate, with increased charges under Medicare and charges likely to increase for outpatient services, families are likely to lean more heavily on the maternal and child health service.

Therefore I ask the Minister to examine that proposal and ascertain whether serious consideration can be given to any decisions that have already been made and whether, if the government is forced to close that service, some alternative can be provided. I shall provide the Minister with further details, but I have received at

least four letters about the matter from different organisations in the Bellarine area.

Kingston Centre

Hon. ROBERT LAWSON (Higinbotham) — I ask the Minister for Health to look into certain matters of concern that have been raised by the staff at the Kingston Centre. She may not be aware that certain changes are taking place there, apparently as a result of the Budget and also new funding arrangements with the Commonwealth. Certain of the residents have been asked to move from one place to another and a letter has been sent out by the chief executive officer —

Hon. M. A. Lyster — Vicky Funnell — an excellent chief executive officer.

Hon. ROBERT LAWSON — A letter has been sent out recommending that the relatives of the residents consider the option of moving to a community or private nursing home nearer to family and friends, where appropriate. This is causing a great deal of concern to the very elderly residents who live there because over the years they have come to regard the place as their home and they have become extremely disoriented and are not quite sure what is happening, despite reassurances from the staff.

I ask the Minister to arrange for one of her officers to look into this matter and find out the validity of the concerns expressed by the staff because they take this matter very seriously indeed. I believe this has become a matter of great stress to the aged people in their care.

Crown land lease, Harcourt

Hon. R. A. BEST (North Western) — I raise a matter for the attention of the Minister for Education and Training, who is the representative in this place of the Minister for Conservation and Environment. A review is currently being undertaken by the Department of Conservation and Environment into all Crown land in the Bendigo area, and a problem arises with Mr Lang of Harcourt because he is the licensee of property that he leases from the Rural Water Commission.

On 8 July the Rural Water Commission wrote to Mr Lang saying:

Advice has been received from H. S. W. Lawson and Co., solicitors, that you are the beneficiary of the estate

of the late A. J. Lang, and requesting the above licence to be transferred to your name.

The commission has no objections to this and has amended its records to show you as licensee.

Rather than draft new licence documents, this letter in conjunction with the attached copy of the licence will act as formal notification of the change of name on the licence pending renewal in the future.

Mr Lang has received notification from the Department of Conservation and Environment asking for \$88.70 as rent for that piece of property. It is quite obvious that the department's records are inaccurate. Mr Lang has asked the department to investigate the matter, but it has not done so. This is causing some concern to him, and I ask the Minister to have the department investigate the matter immediately so as to put Mr Lang and his family at ease.

Responses

Hon. D. R. WHITE (Minister for Manufacturing and Industry Development) — Mr Knowles asked about the government's response to the Auditor-General's report. I shall again take up that matter with both the Treasurer and the Minister for Finance. I have been advised in the past about the issue of timing, and I shall seek further advice about it. The Treasurer and the Minister have indicated that either one will provide a response before the end of the sessional period.

Mr Chamberlain raised the matter of a lease in Nauru House for an area that had previously been occupied by a Parliamentary committee. I shall take that up with the Minister for Finance and the Minister for Labour.

Hon. C. J. HOGG (Minister for Ethnic, Municipal and Community Affairs) — Mr Connard raised a matter to be directed to the attention of the Minister for Community Services involving Southern Citizen Advocacy. He described it in quite some detail, outlined the submission that the group had made and asked that I direct the Minister's attention to the fact that this group understood the financial realities of today; and that, although the group obviously needed some resourcing to be able to carry out the activities that Mr Connard outlined, in fact it might not be the original amount stated in the submission. I shall direct that matter and Mr Connard's remarks to the attention of the Minister for Community Services.

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Hon. G. P. Connard interjected.

Hon. C. J. HOGG — Yes, I appreciate that the decision is to be made some time next week.

Mr Mackenzie directed to my attention a grievance from the Rural City of Bellarine about the relieving subsidies for maternal and child health nurses. I advise him that that decision was made in the context of the Budget. It may be that some special circumstances pertain in Bellarine and that an officer from Community Services Victoria may be able to give some advice on how, by small changes in organisation, the question of covering periods of leave can be handled; I think most groups believed it could be handled. I shall direct the matter to the attention of the Minister for Community Services and ask her for advice.

Hon. B. T. PULLEN (Minister for Education and Training) — Mr Storey raised a matter about a staff transfer from Prahran. I have been monitoring the situation there. My most recent advice was that the problems perceived there were likely to be resolved quite quickly by negotiation. I was mindful of the undertaking I had given to him to provide information, and since I received that advice quite recently — yesterday — I thought that, because it was so close to resolution, I would provide him with some definitive information.

Given that the information he has now provided to me indicates that there is some concern in one area, I shall still give him the information he sought, but if it is not resolved I shall provide him with some interim indication of where the matter is at. I assure him of my strong belief that it is capable of resolution and I hope it will not be very much longer before that occurs.

Mr Best raised a question about a situation in Harcourt and a request for payment made to a constituent. I shall refer that matter to the Minister for Conservation and Environment for a response.

Hon. M. A. LYSTER (Minister for Health) — Mr Cox raised a matter for the attention of the Minister for Police and Emergency Services, which I shall direct to his attention, but I must say that, quite apart from the concern that was raised by the President in respect of there being one or two issues, I have some concerns about the implication in the honourable member's question that the Minister for Police and Emergency Services could in some way

have influence over the decisions made by the police on how they would treat the different incidents to which Mr Cox referred. But I shall leave it to the Minister for Police and Emergency Services to respond to Mr Cox in his own way.

Mr Lawson raised a matter dealing with the Kingston Centre and correspondence that has been received by residents of long standing from the chief executive officer of the centre putting a proposal for the movement of some residents. I can understand how that may be interpreted by some residents. However, I am absolutely confident that the excellent Chief Executive Officer of Kingston Centre, Ms Vicki Funnell, firstly, would not have sent such a letter without the total support of her board of management and, secondly, would have done so in as sensitive a way as possible. I am full of praise for the way that centre is administered and its sensitivity to the needs and concerns of residents that is shown by all staff.

I shall ask questions about the matter, but I know the centre has for some time been undertaking significant changes in the way it delivers its services. Certainly, because we are embarking on a definite move towards CAM/SAM funding — that is care aggregated module/standard aggregated module funding — the staff and the board of the centre recognise there must be changes.

I take the points Mr Lawson is making, as will the staff and the board of the Kingston Centre. I am confident that any changes it makes in providing for the care and management of the residents will be done in the most appropriate way. However, I shall pursue the matter with the board.

Hon. T. C. THEOPHANOUS (Minister for Consumer Affairs) — Mr Hallam raised a matter for the attention of the Minister for Labour in the other place. It related to the fact that two recent court decisions do not reflect the intention of Parliament. I am sure the Minister for Labour will be as concerned as Mr Hallam about the possible cost implications. I shall pass on the substance of Mr Hallam's comments to the Minister for Labour and obtain a response from him.

Motion agreed to.

House adjourned 6.23 p.m. until Tuesday, 19 November.