

Tuesday, 24 May 1994

---

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 2.32 p.m. and read the prayer.

### **VICTORIAN INSTITUTE OF MARINE SCIENCES (AMENDMENT) BILL**

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. M. A. BIRRELL (Minister for Conservation and Environment).

### **APPROPRIATION (INTERIM 1994-95) BILL**

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. R. M. HALLAM (Minister for Regional Development).

### **GAMING AND BETTING BILL**

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. HADDON STOREY (Minister for Gaming).

### **APPROPRIATION (PARLIAMENT) (INTERIM 1994-95) BILL**

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. R. M. HALLAM (Minister for Regional Development).

---

## **QUESTIONS WITHOUT NOTICE**

---

### **Grand prix**

**Hon. T. C. THEOPHANOUS** Uika Jika) - I direct my question to the Honourable Mark Birrell, in his capacity as Minister for Major Projects and

Minister for Conservation and Environment. The minister would be aware of the serious environmental issues surrounding the use of Albert Park Lake for the grand prix. In a recent press release he flagged his concern at the urgent need to develop the Docklands area and announced that a new study would be undertaken.

Given that the location of the grand prix in the Docklands area would meet both his environmental concerns in relation to Albert Park and would significantly accelerate the commercial development of the Docklands, will the minister ask the consultants to examine the viability of locating the grand prix in the Docklands area?

**Hon. M. A. BIRRELL** (Minister for Conservation and Environment) - No.

### **Workplace training**

**Hon. R. H. BOWDEN** (South Eastern) - Will the Minister for Tertiary Education and Training inform the house of the progress made by the government in expanding vocational training in the workplace and encouraging private providers of training to enter the training market?

**Hon. HADDON STOREY** (Minister for Tertiary Education and Training) - As I have previously informed the house, the government is doing what it can to encourage private providers to seek registration under the State Training Board system and to open up opportunities for non-government private providers to enter the training market. Almost 300 private providers are registered with the State Training Board. I should point out that becoming a private provider does not necessarily mean operating a training system for profit. It also covers private companies operating training systems in their own operations, including non-government, non-profit bodies.

The government has doubled its efforts to expand vocational training in the workplace, and \$4 million has been committed this year to fund enterprises and industry-based providers to develop courses and provide training places in the workplace.

One of the benefits of the program is to provide vocational training and extra training places, all with credit transfer possibilities. The funding for workplace training enables the needs of industry to be met and specifically oriented to that industry; at the same time it provides required general skills that the worker can take to other places. Industry is

## QUESTIONS WITHOUT NOTICE

764

COUNCIL

Tuesday, 24 May 1994

working closely with TAFE colleges in the conduct of the program. For example, last night I had the privilege of attending the graduation ceremony of 121 employees of the Ford Motor Company at its Broadmeadows plant. The program was implemented by Ford in conjunction with the State Training Board and with the assistance of a consortium of adult and migrant education centres and TAFE. It was heartening to see the wide range of people participating in the course and acquiring skills which will give them something they would not otherwise have, and they can take those skills to other places.

More than 1000 Ford employees have completed the certificate course since its introduction three years ago. It is clear that the program has been a great success. Indeed, the vice-president of manufacturing at Ford, Mr Frank Wiley, told me that 68 per cent of Ford employees are participating in the certificate program with 2400 currently undertaking various units of the program. That represents a commendable program on the part of Ford, involving employees, unions and the employer working together to develop skills which will be of use to both the employer and employee because of the portability of those skills. That is most important for Victoria as it becomes internationally competitive. In addition, the program is helping Ford to compete with the rest of the world.

### Local government restructure

**Hon. PAT POWER** (Jika Jika) — The house will be aware that at the weekend municipal polls were conducted at St Kilda, South Melbourne and Port Melbourne and that St Kilda residents provided a clear message when 88.7 per cent rejected the forced amalgamation proposals for the municipality. Some 79 per cent had the same view as a result of a telephone poll conducted by AGB McNair Pty Ltd. As was the case in Ballarat and Bendigo, does the Minister for Local Government believe that message represents a clear community view about the government's program of forced amalgamations?

**The PRESIDENT** — Order! I am contemplating whether that question seeks an opinion from the minister. Perhaps Mr Power may like to rephrase the last part of the question.

**Hon. PAT POWER** — As was the case in Ballarat and Bendigo, does the minister concede that this represents a clear community view about the government's program of forced amalgamations?

**Hon. R. M. HALLAM** (Minister for Local Government) — The answer is no. I do not concede — —

**Hon. B. E. Davidson** — The next one on the front bench!

**Hon. R. M. HALLAM** — The next one on the front bench — that is where you came from! I do not concede that was a clear message. It does Mr Power no credit to suggest that there is a message from the poll. In fact, it is far from the truth.

**Hon. Pat Power** — But I am not from the National Party.

**Hon. R. M. HALLAM** — No. Given that about 28 separate pieces of information were delivered to the households in the areas subject to the poll, and given that enormous efforts were made to have people express their thoughts about what is happening to local government, which I support — I am most supportive of people becoming involved in the process — I am saddened by the fact that 7 out of 10 people did not think it important enough to cast a vote. No-one could take a message from that. I believe that is precisely the position that will be adopted by the Local Government Board. Mr Power should remember that this poll is to be taken on board by the Local Government Board.

**Hon. Pat Power** — As it was in Ballarat and Bendigo.

**Hon. R. M. HALLAM** — What are you suggesting, Mr Power, when 7 out of 10 do not vote? Are you suggesting that it should be binding on the board? Remember that you went to the last election, Mr Power, with a policy that voting should not be binding. When 7 out of 10 residents do not vote should we say that the polls should become mandatory? What happens when the people do not vote? Do we flog them? What do we do when people do not vote?

The process was designed so that the opinions of those directly affected would be gained. I do not think opinions were gained, and the real conclusion is that 7 out of 10 people did not care enough to cast votes. That is sad, but I do not believe a clear message has come from the poll.

### State Bicycle Committee

**Hon. G. H. COX** (Nunawading) — The Minister for Roads and Ports will be aware of the good work

done over many years by the State Bicycle Committee. Will the minister tell the house about the activities of the recently reconstructed State Bicycle Committee?

**Hon. W. R. BAXTER** (Minister for Roads and Ports) — As Mr Cox knows, cycling is becoming an increasingly popular activity not only in Melbourne but throughout the state. I was gratified by the avalanche of correspondence I received in recent weeks since the Leader of the Government and I made the announcement in March regarding the construction of a bridge across the Yarra River near St Kevin's and Scotch colleges to link the bicycle paths on each side of the river. The correspondence has been well received and I appreciate that many people have taken the trouble to write to the government.

I am also very impressed by the vitality of the reconstituted State Bicycle Committee since Cr Nathan has taken over the chairmanship. The committee has adopted a statewide focus. As the house may recall, I have informed it of the appointment of the two rural representatives to the committee, namely Mr K. O'Brien from the Goulburn Valley and Cr Jeffrey from Gippsland. The committee has since met twice in country areas — at Traralgon and Benalla. The meetings were well supported and useful discussions were had with country people about what they see as the priorities for cycling. There was an acknowledgment that the police and VicRoads want to work hand in hand with cyclists rather than being seen as being at odds with them.

Yesterday I met with Cr Nathan, and I am impressed with the work the committee is undertaking. It is reviewing the state bicycling strategy which was introduced in 1991; a review after three years of operation should be most useful. The committee is also looking at bicycle access to major new public facilities in Melbourne, including the casino and the museum. It is commendable that in the construction of those magnificent facilities some attention will be given to bicycle access. Similarly, the committee is having discussions with the Department of Planning and Development to ensure that future large buildings in Melbourne make suitable provision for people who work in those buildings and who ride bicycles to work. The aim is for appropriate facilities to be provided to encourage cycling. That is a worthy initiative.

In addition, the committee is holding discussions with a member of this house, Mr Stoney, and his

group which is examining other areas for bicycle use, including disused railway lines and the like, throughout the state. I am most impressed by the work of the reconstituted State Bicycle Committee. It is tapping into a sentiment that is becoming increasingly popular in the community and, in so doing, is contributing to the welfare of Victorian citizens.

### WorkCover

**Hon. T. C. THEOPHANOUS** (Jika Jika) — Did the minister responsible for WorkCover approve the latest WorkCover advertisements which include a jingle about a worker who has an injured arm that states, 'And Spiro wants to lend a hand; he's still got one, it's in demand.'? How does the minister justify that insensitive statement? On what basis does the advertisement reach the conclusion that employing people who can use only one arm increases productivity?

**Hon. R. M. HALLAM** (Minister for Local Government) — I thank Mr Theophanous for his question, which underscores his lack of knowledge about the process of workers compensation.

**Hon. T. C. Theophanous** — You are the one that made it up.

**Hon. R. M. HALLAM** — And I accept responsibility for the jingle, if that is what you want me to do. The very clear message coming from workers compensation structures right across the nation is that they must get away from the notion that they should be judged on how well people are compensated while they are away from work. Workers compensation should be judged on how well it gets people back to work so that they become part of the productive work force. When Mr Theophanous asks me how the government can justify people going back when everyone understands that they will be — —

**Hon. T. C. Theophanous** — You do not even concede — —

**Hon. R. M. HALLAM** — You asked the question; now listen to the answer! You might actually learn something! Everyone understands that when an injured worker goes back to work he or she must, by definition, be below 100 per cent capacity. But that is not necessarily inconsistent with improved productivity. Just in case you have not grasped it, Mr Theophanous, while the injured worker is away from the workplace the employer is still paying for

the cost of his employment. Therefore, anything gained by way of productive work in that time is a bonus. That is not only so for the employer but for the injured worker who then has an advantage of going back — —

**Hon. T. C. Theophanous** — I thought the insurance company was paying. I thought Workcover paid that.

**Hon. R. M. HALLAM** — I don't want to have to take Mr Theophanous through the basic issues involved here. If he does not understand those issues, there is no point answering the question in the first place!

I attended a meeting in Sydney last Friday in the company of all the ministers responsible for workers compensation around the nation. Clear support was expressed for the advertisements currently being aired in Victoria. For what it is worth, Mr Theophanous, a number of the other states are actually buying them to run in their states — including Queensland! If Mr Theophanous has not come to the conclusion that something good is happening in the Victorian workers compensation structure I feel sorry for him; he has missed the fundamental lesson. At long last Victoria has a workers compensation structure that is fair and affordable. I know that galls Mr Theophanous, because he was partly responsible for the previous system that was out of control and saw Victorian jobs exported. I know why it upsets Mr Theophanous; I understand that much. At least he should give the government credit by acknowledging the way the process is currently working.

### Small Rural Hospitals Task Force

**Hon. P. R. DAVIS** (Gippsland) — Will the Minister for Aged Care advise the house of the government response to the Small Rural Hospitals Task Force report?

**Hon. R. I. KNOWLES** (Minister for Aged Care) — The Minister for Health and I appointed the Small Rural Hospitals Task Force to examine issues of concern to country hospitals with fewer than 30 beds. Yesterday the task force report, together with the government's response to its significant numbers of recommendations, were released. It is important to record that the broadly based task force was chaired by Dr Denis Napthine, the honourable member for Portland in another place. Its membership included Professor Roger Strasser, a

general practitioner, Ms Anita Wood, an expert from Orbost Hospital, Dr John Hurley, a geriatrician from Ballarat, Ms Jan Norton, who works for the department in the acute health services, and Mr John Smith, President of the Victorian Hospitals Association and Chief Executive of the Nhill Hospital. The committee put an enormous amount of effort into its work. It visited each of the hospitals and spoke with the chairmen and chief executive officers of the respective boards about the particular issues that confronted their hospitals and communities. The task force also accepted submissions from members of the public and a broad range of bodies.

The task force concluded that although many of the issues confronting small hospitals do not directly result from the introduction of case-mix funding, that initiative has brought into sharp focus a trend that has been developing for a significant number of years. Because of the changes in medical practice and the requirement for people to have access to specialist care, many of the acute facilities in small country communities are being significantly under-used. At the same time, their populations are aging. They have a significant range of primary health and aged-care needs — both domiciliary and community based needs — which are not being met and which mean that resources could be used in much better ways.

The government has responded to the task force recommendations. In the forthcoming financial year at least \$7.5 million in capital funds will be provided so that many rural hospitals can reconfigure their services to better meet the needs of their local communities. The government has invited hospitals to review their roles and discuss them with other health providers in their immediate localities to examine ways in which the government can develop much better outcomes for the available funds, both in capital terms as well as in recurrent terms.

The Minister for Health said that if small hospitals undertake that process the government and the department will negotiate hump funding arrangements to enable them to change their services. It is the government's desire that that process must lead to the development of a comprehensive range of services which are both viable and sustainable in the long term and which better meet the needs of residents of small rural communities than current arrangements. We are confident that if this approach is adopted and we make better use of the resources available, many

communities that currently do not receive services, or receive few services, will have their needs met.

### **Barwon Regional Housing Council**

**Hon. D. E. HENSHAW** (Geelong) — Over a period of some years other honourable members and I have received enormous assistance from the Barwon Regional Housing Council and from local tenancy workers in resolving problems and helping public tenants in such matters as eviction, rental arrears, crisis accommodation for supporting mothers and people suffering from psychiatric illnesses. A statewide review of such services, the report of which was released yesterday, puts such advocacy provision under threat. Can the Minister for Housing give an assurance that such services will continue to be available?

**Hon. R. I. KNOWLES** (Minister for Housing) — I publicly acknowledge the role the Barwon Regional Housing Council has played and continues to play. Its role goes beyond advocacy. It has been involved in delivering services and finding housing for individuals with the sorts of disabilities and vulnerability to which Mr Henshaw referred.

The report released yesterday — it is important to recognise that at this stage it is a departmental review of the community resourcing program — suggests that this type of work falls within the ambit of the community housing program, that organisations which previously were funded through the community resourcing program and which are involved in housing delivery should be part of the program and that much of the work undertaken by bodies such as tenant associations, where support has been given, falls within the ambit of the housing service division; in other words, that it is an integral part of the management of housing. The report also suggests that a component of the community resourcing program be incorporated within the housing services program and that the peak bodies which have been funded are an integral part of the development of appropriate planning models as required under the commonwealth-state housing program and ought to be incorporated within the broader focus of policy development and specific planning development issues.

I cannot provide a guarantee to any individual group. But I can guarantee that if the trend as outlined in the report shows that there are opportunities for organisations like the Barwon Regional Housing Council to develop specific proposals that involve the actual delivery of housing

services and they submit applications, those applications will be considered.

During visits to the Geelong area I have said publicly that I think the Barwon Regional Housing Council has made a contribution to the provision of housing to vulnerable people and I commend it for that work. I have said also that the government is prepared to support organisations that deliver real housing solutions but is not prepared to fund organisations that want simply to conduct talkfests at the end of which there is no actual provision of services to the very people with whom we are dealing.

### **Proudfoot's boathouse, Warrnambool**

**Hon. B. A. E. SKEGGS** (Templestowe) — Can the Minister for Conservation and Environment advise the house of steps taken by the government to assist the redevelopment of the historic Proudfoot's boathouse at Warrnambool?

**Hon. M. A. BIRRELL** (Minister for Conservation and Environment) — I am pleased to advise the house that I have approved a grant of \$150 000 from the Department of Conservation and Natural Resources to the City of Warrnambool to help restore Proudfoot's boathouse to its former glory. The grant will be paid in annual instalments of \$50 000 over the next three years. The funding is additional to the grants of \$150 000 from the Historic Buildings Council, which was announced by the government earlier this year, and from the City of Warrnambool.

Any honourable member who knows the extraordinary background of the proposal will regard the resolution of the matter with relief. I congratulate and thank the local members, the Honourable Bruce Chamberlain, the Honourable Roger Hallam and Mr John McGrath, the honourable member for Warrnambool in another place, for their constructive representations on the matter.

**Hon. Pat Power** interjected.

**Hon. M. A. BIRRELL** — I am alerted by an untimely interjection from the opposition. I said to the people who prepared the non-copious notes for my answer that I did not want to get stuck into the opposition for its inadequacy on this matter when in government, but the interjection has thrown me off my guard! It is important to direct to the attention of the house the previous government's failure to settle

the matter. Apparently there were winks and nods from the former Department of Conservation and Environment suggesting that the money might be provided, but there was no commitment by the previous government to provide the money, nor was there a commitment from the coalition when in opposition. Until this day there has been no commitment from the coalition in government.

We believe it is a meritorious and important historic building. Proudfoot's boathouse was constructed in 1885 and is on the registers of the Historic Buildings Council and the National Trust. Even though it is in rural Victoria, it is a classic reminder of the so-called 'marvellous Melbourne' era, which is marked by many magnificent buildings. It is still standing, although it is in an extremely unsafe and unhealthy state.

The boathouse was and still is a popular place for fishing and boating. At the time of construction it was an extremely popular health resort. Now the period of neglect has ended. I advise the house that the plan is to lease the boathouse to the Hopkins River Sports Club for a major financial return. The precincts will be enhanced by extensive landscaping and site beautification.

The local Warrnambool community and the state will benefit from it as a tourist attraction and will be boosted by the restoration of the building and precincts. Honourable members who visit Warrnambool should go to the Hopkins River and visit Proudfoot's boathouse to see what outstanding restoration work has been undertaken for this great national asset.

### Western Port Development Council

**Hon. R. S. IVES** (Eumemmerring) — A report available from the Western Port Development Council in consultation with Monash University advises that some 60 000 people in the Western Port region are looking for work. Does the Minister for Regional Development acknowledge that this is a regional issue and can he advise the house of programs he has developed for implementation that will provide relief for the 60 000 people looking for work in the area?

**Hon. R. M. HALLAM** (Minister for Regional Development) — There are several issues involved in that question. The first is whether this is a regional issue, and of course it is. The Western Port area is not necessarily recognised within the portfolio of regional development but it is

recognised as a region. Technically, responsibility falls to the Minister for Industry and Employment.

In respect of unemployment, I am not able to comment on the figure of 60 000 unemployed cited by Mr Ives. If that is the figure — I have no reason to doubt it — it simply reinforces the urgency of the issue confronting us all as decision makers. As recently as last week I met with representatives from the Western Port community to talk through that issue, among others.

Although the state government is taking a number of initiatives — I am happy to repeat them again and again so that they are put on the record — what is causing me distress right now in terms of job generation is the recalcitrant attitude taken by the honourable member's federal colleagues. The biggest single issue confronting us at the moment — Mr Power should be interested in this given that it is his area of responsibility — is the concern being expressed by potential employers across this state as to the circumstances in which new jobs are being generated.

There is grave dismay not in politics but in the real world that restrictions are being imposed on job opportunities by the federal government. I say to Mr Ives earnestly and seriously that he could do worse than talk to his federal counterparts about addressing the real issues involved — that is, how to free potential employers in Victoria to take advantage of the enormous job opportunities available. It is under those circumstances that we might address the terrible legacy of 10 years of Labor in this state and make many inroads into that position.

**Hon. D. A. Nardella** — You have not done anything.

**Hon. R. M. HALLAM** — That is not true. Both the government and the opposition should do something together about the circumstances being imposed on this state by the federal government in terms of job generation. If Mr Ives is not prepared to accept that, then the situation will languish long after he and I have gone.

### Regional development and employment

**Hon. R. A. BEST** (North Western) — I am conscious of the previous answer, and ask the Minister for Regional Development to inform the house of the latest boost for jobs and exports in country Victoria?

## QUESTIONS WITHOUT NOTICE

Tuesday, 24 May 1994

COUNCIL

769

**Hon. R. M. HALLAM** (Minister for Regional Development) — Given that this issue has been raised repeatedly in this Parliament in the past few weeks and in preparation for what I expected might be a question on this matter, I looked at some press releases over the last week. It was not a special week and nothing out of the ordinary happened, but seven press releases last week announced new initiatives including an enterprise improvement grant to Clark's Pies in Mortlake; a grant to an Australian sheep skin products company to undergo a diagnostic review in Hamilton; a grant to the Warrnambool and Regional Development Board to assess the viability of local farmers growing alternative crops in that region; a grant to the Colac Regional Development Board to undertake a study into a major tourism development in its precincts; a grant, which I announced on Wednesday, for the City of Hamilton to investigate its capacity to further develop wool scouring; a promotional package, again announced on Wednesday, to generate economic activity in Geelong; and, as late as Friday, a grant to a Benalla wool spinning company to expand and boost job numbers in that location.

I am sure all honourable members are pleased to hear the announcement about Benalla, which is but an example of the issues that are being addressed by my office. Benalla Spinners, a subsidiary of Godfrey Hirst Pty Ltd, was given a grant under the regional development scheme, which will help create more than 100 jobs in Benalla.

**Hon. Pat Power** — How many?

**Hon. R. M. HALLAM** — The government expects more than 100 jobs to be created and the grant is based upon the lead of employment generated. In addition, it will add value to wool, which is important given that it is one the state's most important natural resources. It will directly generate export dollars for Victoria. Benalla Spinners is currently producing 160 tonnes of yarn a month, most of which is being manufactured into carpet in Geelong, Mr Henshaw, and is then being exported. So much of the behind-the-scenes work to develop these deals is done under the auspices of important structures in the community — that is, the regional development boards and committees which have struck a very good partnership with the Office of Regional Development.

It is a good story thus far, but I am saddened at the extent to which members of this place have gone to deny that great work. I hate to say that the worst offender is Mr Power, the shadow minister. The

structure of the regional development committees are important not only for the effects of their work and the benefits they derive for the community but also because they are working on a voluntary basis on a commitment to the community. They have been doing an excellent job and the criticism that has been directed at them by Mr Power is very sad. I shall leave a message with Mr Power: there is much more to regional development than simply a press release and a road map.

**Hon. Pat Power** — I did not attach a road map.

**Hon. R. M. HALLAM** — The government has established an important relationship between the Office of Regional Development, the regional development committees —

**Hon. Pat Power** — Rural Enterprise Victoria.

**Hon. R. M. HALLAM** — And BARA-VIC which was previously Rural Enterprise Victoria. The community is working with local government, and I add another two tiers. I am proud of the cooperation between my office and the federal ministry. One of the bright spots in the recent white paper was the commitment by the federal minister to work within the structures that have been put together in Victoria. That is an extremely important message. By talking down these issues Mr Power is doing great harm —

**Hon. Pat Power** — I do not talk it down.

**Hon. R. M. HALLAM** — I think you do.

**The PRESIDENT** — Order! The minister should ignore interjections.

**Hon. R. M. HALLAM** — I suggest that next time Mr Power goes on one of his trips to country Victoria he explain to the people working at the coalface on a voluntary basis that they are not pulling their weight. That is effectively the message Mr Power is putting across. I suggest to Mr Power that those hard-working volunteers will be delighted with that message, particularly coming from a member of the Labor Party given that those people recognise that over the past 10 years the Labor Party has engineered the demise of their communities.

**AUDITOR-GENERAL****Ministerial portfolios**

**The Clerk presented report of Auditor-General on ministerial portfolios, May 1994.**

**Laid on table.**

**PAPERS**

**Laid on table by Clerk:**

Dried Fruits Board — Report, 1993.

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

Alberton Planning Scheme — Amendments L31 and L33.

Bairnsdale (Shire) Planning Scheme — Amendment L39.

Benalla (City) Planning Scheme — Amendment L30.

Fitzroy Planning Scheme — Amendment L13.

Flinders Planning Scheme — Amendment L128.

Greater Geelong Planning Scheme — Amendment L53.

Hastings Planning Scheme — Amendment L103.

Korumburra Planning Scheme — Amendment L47.

Lillydale Planning Scheme — Amendment L133.

Malvern Planning Scheme — Amendment L25.

Moorabbin Planning Scheme — Amendment L35.

Preston Planning Scheme — Amendment L48.

Rosedale Planning Scheme — Amendment L38.

Sandringham Planning Scheme — Amendments L9 and L13.

South Melbourne Planning Scheme — Amendments L50 and L65.

Springvale Planning Scheme — Amendment L64.

Sunshine Planning Scheme — Amendment L62.

Tambo Planning Scheme — Amendment L62.

Traralgon (Shire) Planning Scheme — Amendment L36.

Victoria — State Section Planning Schemes — Amendment S33.

Wangaratta (Shire) Planning Scheme — Amendment L14.

Werribee Planning Scheme — Amendments L62 and L71.

Whittlesea Planning Scheme — Amendment L89.

Wodonga Planning Scheme — Amendment L64.

**Statutory Rules under the following Acts of Parliament:**

Criminal Injuries Compensation Act 1983 — No. 64.

Health Act 1958 — No. 61, 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:

Radiation Protection — Annual Limits on intake of Radionuclides by Workers Based on the 1990 Recommendations, Annals of the International Commission on Radiological Protection, ICRP Publication 61, Volume 21, No. 4.

Code of Practice for the Safe Transport of Radioactive Substances, 1990, Department of the Arts, Sport, the Environment, Tourism and Territories.

Sealed radioactive sources — Classification — International Standard, ISO 2919, 1980.

Sealed radioactive sources — Leak test methods — International Standard Technical Report, ISO 4826, 1979.

Supreme Court Act 1986 — No. 63.

**A Proclamation of His Excellency the Governor in Council fixing an operative date in respect of the following Act:**

Health and Community Services (General Amendment) Act 1993 — Sections 7 to 12 — 8 May 1994 (*Gazette* No. G20, 19 May 1994).

**WATER ( FURTHER AMENDMENT) BILL**

*Second reading*

**Hon. M. A. BIRRELL** (Minister for Conservation and Environment) — I move:

That this bill be now read a second time.

This bill will enable the government's water reform program for the rural water sector to proceed in accordance with the strategy as detailed in the Office

## VICTORIAN INSTITUTE OF MARINE SCIENCES (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

771

of State Owned Enterprises report of October 1993 entitled *Reforming Victoria's Water Industry: A Competitive Future*. That report identified a range of reforms for the rural water sector which included:

the Rural Water Corporation's five regional management boards to be transformed into separate authorities under the Water Act on 1 July 1994;

responsibility for statewide policy, water resource assessment and regulatory activities will transfer from the Rural Water Corporation to the Minister for Natural Resources; and

the amalgamation of non-metropolitan urban authorities.

The definition of an 'authority' contained in the Water Act 1989 expressly excludes a regional management board. The five regional management boards of the Rural Water Corporation currently exercise their functions under delegation from the corporation. The proposed amendments will enable the regional management boards to be constituted as authorities in their own right.

This will deliver substantial long-term benefits through enhanced local management, reduced central office overheads, improved local cost control, further pressure to improve services and more direct signalling of the cost of doing so.

The new rural authorities are to be given borrowing powers under the Borrowing and Investment Powers Act 1987, the same as other authorities under the Water Act. In practical terms, this means that they will have access to loans from Treasury Corporation Victoria but government guarantees will not be available as of right.

Given the heightened commercial focus for the new regional rural authorities, the residual regulatory, statewide policy and community service functions currently undertaken by the corporation are to be transferred to the Department of Conservation and Natural Resources. Those functions are already funded by the consolidated fund through the government services contract to the Rural Water Corporation, and therefore the transfer of functions to the Department of Conservation and Natural Resources will be effectively cost neutral. As neither the minister nor the department are 'authorities' for the purposes of the act, amendment of the Water Act 1989 is required to effect the proposed changes and to accommodate the transfer of staff.

Other amendments to the Water Act are required to enable water trading between different types of water entitlements. This will facilitate transfers of water in northern Victoria where demand is high, as illustrated by the recent and successful water auction at Swan Hill.

This bill will assist in enabling the government in meeting its goals in the reform of the rural water sector through increasing efficiency and accountability, and will provide enduring public benefit for all Victorians.

I commend the bill to the house.

Debate adjourned for Hon. B. T. PULLEN (Melbourne) on motion of Hon. C. J. Hogg.

Debate adjourned until next day.

## VICTORIAN INSTITUTE OF MARINE SCIENCES (AMENDMENT) BILL

*Second reading*

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That this bill be now read a second time.

The Victorian Institute of Marine Sciences (VIMS) was established in the mid-1970s to further knowledge and education in relation to marine issues and carry out scientific research in the field of marine science and oceanography. The council was established by the Victorian Institute of Marine Sciences Act 1974. The governing body of the institute is presently a council of up to 24 members made up of members of Parliament, nominees of academic institutions and others.

VIMS research is well regarded especially in the field of oceanography. Over the years VIMS has carried out research for a range of clients including the oil and gas industry, port authorities, water boards and the commonwealth government. VIMS has developed databases and marine models which are of great value to Victoria. The other important arm of VIMS business is its education facility at Queenscliff which last year was visited by 18 000 schoolchildren, providing clear economic benefits for the town of Queenscliff.

The large size of the VIMS council and the antiquated provisions of its act have meant VIMS has functioned ineffectively. The full council did not

## CASINO CONTROL (MISCELLANEOUS AMENDMENTS) BILL

772

COUNCIL

Tuesday, 24 May 1994

meet after 1991, and the reporting lines to government became poor. In 1993 a new director of VIMS was appointed and in September the director identified a deteriorating financial situation which was brought to the attention of the government.

The government immediately requested the Auditor-General carry out a special audit of VIMS. At the same time a reconstituted council was established with strong representation from the Department of Conservation and Natural Resources, and effective governance of VIMS affairs was re-established.

The Auditor-General has identified a number of problems which need to be addressed in order to improve VIMS operations. The key problems are cumbersome legislation (including governance through a council of up to 24 members), a lack of clear accountability, and inadequate management and financial skills. The Auditor-General's findings in regard to VIMS will be included in his report on ministerial portfolios, to be tabled in the autumn sittings. The Department of Conservation and Natural Resources has started to address the management and financial skills by introducing new systems and creating closer links with the department, in particular with the marine research functions of the department.

The purpose of this bill is to address the problems of cumbersome legislation and the lack of clear accountability identified by the Auditor-General as key areas where improvement of VIMS operations was required.

I turn now to the specific provisions of the bill. The bill substantially reduces the size of the governing body by replacing the council of up to 24 members with a skills-based board of up to 7 persons to take responsibility for the institute. The institute is to be subject to the general control of the minister and will have the additional objective of carrying out functions referred by the minister. This creates clear lines of accountability to government to ensure the problems of the poor reporting in the past are not repeated.

In order to bring about efficiencies in the operation of VIMS it is proposed to further develop links with the Department of Conservation and Natural Resources by providing for the board of VIMS to enter into agreements with the secretary of the department to provide services and make reciprocal use of resources of each body. The financial and other reporting provisions of the act are

substantially streamlined and improved. The remaining provisions of the bill are consequential in nature and deal with establishment of procedures and operations of the board which are a substantial improvement on those contained in the existing act.

The government is moving quickly through this legislation to address the problems of VIMS and to provide the opportunity for VIMS to continue to provide quality research and education facilities to industry, government and the community. The bill will ensure that improved management practices and reporting relationships are introduced and that efficiencies to be gained by closer links with the Department of Conservation and Natural Resources are maximised.

The government will closely monitor the effectiveness of these measures in improving the viability of VIMS and will review the performance of VIMS periodically to ensure that the quality of service provided is maintained and improved in the most cost effective way for Victoria.

I commend the bill to the house.

**Debate adjourned for Hon. B. T. PULLEN (Melbourne) on motion of Hon. C. J. Hogg.**

**Debate adjourned until next day.**

## CASINO CONTROL (MISCELLANEOUS AMENDMENTS) BILL

*Second reading*

**For Hon. HADDON STOREY (Minister for Gaming), Hon. R. M. Hallam (Minister for Regional Development) — I move:**

That this bill be now read a second time.

The amendments proposed to be made to the Casino Control Act and the Liquor Control Act have come about as a result of recommendations from the Victorian Casino Control Authority in consultation with the casino operator and various government agencies. The amendments are not substantial but will be to the benefit of Victoria by helping to ensure the Melbourne casino is a world-class casino and free from criminal influence.

The bill permits Sportsbetting to be offered in the casino, enables the body responsible for building control for the casino to have responsibility also for ancillary works, enables the casino operator to apply

for a liquor licence, provides for self-exclusion orders and contains other miscellaneous amendments.

Sportsbetting is an important ingredient of world-class casinos overseas. Under clause 20 of the schedule to the Casino (Management Agreement) Act 1993 it is mandatory that the casino operator operates the Melbourne casino complex as a high-quality, international-class casino complex. The Casino Control Act presently enables the Victorian Casino Control Authority to approve the games that may be played in the casino. Legislative amendment though is required to enable Sportsbetting because of the legal distinction between gaming and betting.

Sportsbetting will enable patrons to bet on national and international sporting events. Sportsbetting will only be available to patrons placing bets within the casino. There will be no telephone betting.

While the bill would enable Sportsbetting to be offered, it is not intended that it should operate as a second TAB. The bill therefore will prevent the casino from conducting Sportsbetting on any horse, harness or greyhound race at a race meeting in Australia or New Zealand which is covered by the TAB.

The Minister for Gaming will be empowered to give notice to the casino operator not to conduct a class or kind of betting where that betting would be offensive or would be contrary to public policy. For example, betting on the number of casualties in a war or betting on the outcome of a trial may invoke this section.

The bill provides that the Casino (Management Agreement) Act does not apply to part 5A — Approved Betting Competitions — which deals with Sportsbetting. This provision makes it clear that Sportsbetting is regulated under the Casino Control Act.

The Casino Control Act presently enables the minister administering the Building Control Act to determine who is to be responsible for building control for the Melbourne casino site. Ancillary works outside the site will be required. It has always been intended that all works necessary for the casino should be subject to one body responsible for building control. The bill therefore gives effect to this intention.

The Casino Control Act enables the Director of Casino Surveillance, the casino operator or the

person in charge of the casino to prohibit a person from entering the casino. An excluded person may appeal to the Victorian Casino Control Authority against an exclusion order. The New South Wales act also provides for a person to apply for a self-exclusion order to be made excluding him or her from entering the casino. There is a right of appeal to the authority to have the order overruled. The bill proposes similar provisions for Victoria.

Section 69 of the act provides for regulations to be made in relation to junkets. The amended statutory provision is intended to cover only the incentives offered to the high-turnover players. The two situations which need to be addressed are junkets and premium-player arrangements.

A junket is a term commonly understood in the casino industry as referring to an arrangement whereby a group of persons or an individual is introduced to the casino operator by a junket organiser or promoter, who receives a commission based on the turnover of play accrued by the patron or patrons introduced by the organiser or promoter. A premium-player arrangement is an arrangement in which the casino operator agrees to give a patron a commission in cash or in kind based on the patron's turnover or results of play. In the case of a premium-player arrangement there is no promoter involved.

The definition of junket in the act is currently too wide in that it includes the giving by the casino operator of what are known in the casino industry as complimentary. Complimentaries consist of incentives such as free or discounted travel, accommodation and food. The amendments are therefore designed to exclude complimentaries from the definition of junkets and to enable the regulation of premium-player arrangements.

The Casino Control Act provides that the Liquor Control Act does not apply to the sale, disposal and consumption of liquor in a casino except to the extent that the regulations otherwise provide. The bill would enable the casino operator to apply for a liquor licence under the Liquor Control Act and would facilitate the issue of the licence.

The casino operator is prohibited from entering into any contract for the supply of goods or services, with certain exceptions, unless the Victorian Casino Control Authority is first notified. If the authority objects, the operator must not enter into the contract. The intent of the provisions was to ensure that there could be no opportunity for criminal influence via

the back door. This would involve the authority checking the individuals associated with contracts, not in determining whether or not a particular contract should be entered into.

The bill therefore reinforces this intention by amending the Casino Control Act to enable the authority to give the operator approval to enter into contracts with specified persons for specified goods or services. In addition, the authority would continue to monitor all significant contracts to ensure that the integrity of all aspects of the casino operations is preserved.

Casino special employees are prohibited from accepting gratuities from patrons in the casino. This provision was intended to prevent any special treatment being given to patrons by staff responsible for conducting gaming. However, the provision is too limited in that an employee could with impunity accept a gratuity from a patron of the casino by merely stepping outside the casino. The bill will close this loophole.

The authority intends to require more than just the gaming employees to be licensed as special employees. However, it is standard casino industry practice for certain employees who are not directly involved in gaming activities to be permitted to accept gratuities. The amendment is therefore included to enable the authority to specify persons or classes of persons who may accept gratuities.

Finally, the other amendments included in the bill will:

- require all security and surveillance staff of the casino operator to obtain special employees' licences;

- enable the Director of Casino Surveillance to approve the use of chips and cash for restricted training and testing purposes and to approve the use of a procedure or device for dealing cards other than from a card shoe; and

- prohibit persons who have been directed to apply for licences because of their special relationship with the casino as defined in section 40 from gambling in the casino.

I commend the bill to the house.

**Debate adjourned for Hon. D. R. WHITE (Doutta Galla) on motion of Hon. C. J. Hogg.**

**Debate adjourned until next day.**

## STATE TRUSTEES (STATE OWNED COMPANY) BILL

*Second reading*

**Hon. R. M. HALLAM** (Minister for Regional Development) — I move:

That this bill be now read a second time.

The State Trustees (State Owned Company) Bill provides for significant improvements to be achieved in the provision of public trustee services to the people of Victoria. It provides for State Trustees to be established as a company which will be wholly owned by the state. The proposed company, State Trustees Ltd (STL), will be subject to the Corporations Law, the State Owned Enterprises Act and the Trustee Companies Act.

The new structure will free State Trustees from many of the public sector restrictions to which it has been subject to date and will enable it to continue the process of reform which it has successfully undertaken in recent years. It will also put State Trustees on a more equal footing with other trustee companies.

The bill preserves the existing rights of clients of State Trustees and makes provision for community service obligations of the type now provided by State Trustees to continue to be provided under contract to the government. Initially this contract will be with State Trustees Ltd, with flexibility for contracts to be awarded to other parties in the future.

With respect to the employees of the corporation, it is proposed that State Trustees be declared a designated body for the purposes of section 81A of the Public Sector Management Act and that the procedures set out in that section will apply.

Part 1 of this bill sets out the preliminaries. The Australian company number for STL is not yet available pending approval of the name from the commonwealth. Part 2 of the bill retains certain provisions of the State Trust Corporation of Victoria (STCV) Act 1987 which ensures that services currently provided by the corporation can continue to be supplied by STL. Part 3 contains general provisions including the provision of a limited government guarantee for STL and the preservation of the rights of STCV clients existing at the time of commencement of the legislation.

## APPROPRIATION (INTERIM 1994-95) BILL

Tuesday, 24 May 1994

COUNCIL

775

Part 5 repeals the STCV Act. Part 6 amends the Guardianship and Administration Board Act 1986 by inserting in that act certain provisions previously contained in the STCV Act. Part 7 amends the Administration and Probate Act by inserting in that act certain provisions previously contained in the STCV Act. Part 8 provides for consequential amendments to other acts.

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section by the bill. Clause 40 re-enacts an existing provision of the State Trustees Corporation of Victoria Act which amends the Administration and Probate Act 1958 by inserting proposed section 30D in that act with the intention to alter or vary section 85 of the Constitution Act to the extent necessary to prevent the Supreme Court entertaining claims where State Trustees has distributed the assets of a deceased person after a period of three months of serving a notice of refusal to recognise a claim where no proceedings to enforce the claim have been instituted within that period. The reason for limiting the jurisdiction of the Supreme Court is to remove uncertainty and facilitate prompt distribution of estates by ensuring that subsequent claims are not recognised.

I commend the bill to the house.

**Debate adjourned for Hon. T. C. THEOPHANOUS (Jika Jika) on motion of Hon. B. T. Pullen.**

**Debate adjourned until next day.**

### APPROPRIATION (INTERIM 1994-95) BILL

#### *Second reading*

**Hon. R. M. HALLAM** (Minister for Regional Development) — I move:

That this bill be now read a second time.

This bill provides for the expenditure requirements of departments from the consolidated fund for the first four months of the 1994-95 financial year.

As was indicated by the Treasurer in the autumn economic statement, the introduction of an interim appropriation bill for the first four months of the 1994-95 financial year is consistent with the government's objective of enabling new policy initiatives to be implemented as soon as possible in the new financial year.

With this in mind, this bill provides the necessary appropriation cover for new capital works outlined in the autumn economic statement, as well as the ongoing costs of government for the period July to October 1994. For the information of honourable members details of the new capital projects to commence in 1994-95 is also included in the explanatory memorandum to the bill.

In line with current appropriation arrangements the estimates included in schedule 1 of the bill are provided at departmental level and follow net appropriation principles whereby certain revenue items received are credited to a department's appropriations. Details of these receipts are set out in table 2 of the explanatory memorandum.

The estimates are based on salary rates which applied as at 31 March 1994. The effects of any approved salary and wages increases which may be handed down during the remainder of this financial year, or in the first four months of next year, which affect expenditure during the period will be handled through the provisions of section 4 of the bill.

The total amount sought in 1994-95 is \$4722.1 million (\$4 722 051 000). This amount is made up of \$4 076.5 million (\$4 076 464 000) for recurrent expenditure and \$645.6 million (\$645 587 000) for works and services expenditure. This legislation will lapse when the Appropriation (1994-95 No. 1) Bill is passed by both houses.

I commend the bill to the house.

**The PRESIDENT** — Order! I advise the house that, as is the normal practice, it is anticipated that those honourable members who have already spoken on the autumn economic statement will be treated as having already made their second-reading speeches. Honourable members who have not spoken still have that opportunity open to them.

**Debate adjourned for Hon. T. C. THEOPHANOUS (Jika Jika) on motion of Hon. B. T. Pullen.**

**Debate adjourned until next day.**

### APPROPRIATION (PARLIAMENT) (INTERIM 1994-95) BILL

#### *Second reading*

**Hon. R. M. HALLAM** (Minister for Regional Development) — I move:

## CONTROL OF WEAPONS (AMENDMENT) BILL

776

COUNCIL

Tuesday, 24 May 1994

That this bill be now read a second time.

Honourable members will be aware that since 1992-93 a separate annual appropriation bill for the Parliament has been presented.

This bill provides for the expenditure requirements of the Parliament for the first four months of the 1994-95 financial year. The introduction of an interim appropriation bill for the first four months of the 1994-95 financial year is consistent with the government's objective of enabling new policy initiatives to be implemented as soon as possible in the new financial year.

The bill provides the necessary appropriation cover for the Parliament for new capital works outlined in the autumn economic statement, as well as its ongoing operating costs for the period July to October 1994.

For the information of honourable members, details of new capital projects to commence for the Parliament in 1994-95 are provided in table 1 of the explanatory memorandum to the bill.

In line with the wishes of the President and the Speaker of the Legislative Assembly, estimates included in schedule 1 of the bill are presented in a program format consistent with the Appropriation (Parliament 1993-94, No. 1) Act.

The estimates are based on salary rates which applied as at 31 March 1994. The effects of any approved salary and wages increases which may be handed down during the remainder of this financial year, or in the first four months of next year, which affect expenditure during the period will be handled through the provisions of clause 4 of the bill.

The total amount sought in 1994-95 is \$8.4 million (\$8 409 000). This amount is made up of \$7.8 million (\$7 841 000) for recurrent expenditure and \$568 000 for works and services expenditure.

This legislation will lapse when the Appropriation (Parliament 1994-95, No. 1) Bill is passed by both houses.

I commend the bill to the house.

**Debate adjourned for Hon. T. C. THEOPHANOUS (Jika Jika) on motion of Hon. B. T. Pullen.**

**Debate adjourned until next day.**

## CONTROL OF WEAPONS (AMENDMENT) BILL

*Second reading*

**Debate resumed from 17 May; motion of Hon. W. R. BAXTER (Minister for Roads and Ports).**

**Hon. B. T. PULLEN (Melbourne)** — The bill seeks to address one particular issue. The opposition considers that the bill can improve the situation with regard to that issue and so supports the measure. The issue is concern in the community, particularly concern expressed by the police, at what is seen as a growing prevalence of people carrying knives in public places, and the need to regulate that situation.

The principal effect of the legislation is to remove self-defence as an excuse for the carrying of a knife. The bill achieves that by shifting knives from the category of dangerous articles to the category of regulated weapons in the Control of Weapons Act.

In doing that the legislation seeks to achieve two objects: firstly, a person who has a knife in his or her possession for a legitimate utilitarian reason, such as using a knife as part of one's employment or hobby, is permitted to carry such knife on the basis of that reason but not for the reason of self-defence. I agree with that distinction. The idea that people can carry weapons for self-defence is fraught with danger. In the United States of America, where citizens have the right to bear arms and therefore carry hand guns as a means of self-defence, we have seen an enormous proliferation of people carrying weapons and an increased number of injuries and deaths as a result. I have been astounded, as have many other people, by descriptions of people knocking on doors at Halloween and on other occasions being shot dead through front doors by the occupants of residences.

That incredible situation highlights the fact that knives and guns are not a means of subduing threats; they do not in any way serve to protect a person by incapacitating an aggressor, unless by a direct result. The threat of a knife or gun either works, or the aggressor continues with a severe, if not fatal, result. Such weapons do not allow for any flexibility in the handling of a situation. Once a gun or knife is produced it inevitably heightens tensions and reduces the possibility of the situation being defused. People confronted with such a reaction are prompted to respond with equal force — their reaction is raised to a different level.

## CONTROL OF WEAPONS (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

777

Commonsense dictates that there is a correlation between an increased number of weapons in society and an increased propensity for action and reaction. Anything that can be done to reduce the number of knives carried by people, particularly in public places and places where people congregate at night, without unduly restricting people's rights, would seem to be a good thing. On that basis the opposition supports the logic that is contained in the bill and hence supports the bill itself.

Because regulated weapons must be listed and undergo a regulatory impact statement there is an opportunity for people to comment on the proposal and perhaps positive input will pick up problems that may not be evident at this stage. The opposition considers both features of the bill to be useful.

I doubt whether it will be a long-term measure because the bill does not address the underlying causes of violence, nor does it examine the underlying reasons why people carry knives and get into trouble. It is disappointing that the government has not put together a package of measures that will address those problems.

There has been some improvement in people's perception of being safe. For example, although the statistics showed that the incidence of crime in the area around the high-rise flats in North Melbourne was virtually indistinguishable from the incidence in the surrounding community, the perception was that it was not safe to go out at night. Elderly people in particular did not think it was safe to go out at night, even to the milk bar, or to be in public places after a certain time. The police evidence does not back up that perception, but that does not alter the fact that people had that perception and did not go out at night. Hearing that a neighbour is frightened to go out at night causes other people to think it is not safe to go out at night.

Discussions and public meetings were held and people suggested measures to improve such things as lighting, security, access, and the surveillance of cars, doors and screens, and homes. They were the measures that residents thought would change their perception of how safe the neighbourhood was. They thought that with those measures in place people would go to the milk bar at night, do the errands that they normally do or call on neighbours in other buildings. Their perception changed and the place felt safer.

It is important to deal with perceptions. Today the community has the perception that too many people

are carrying knives. If that inhibits people from going out to public places or walking around the city at night, it is not a positive perception. The measures in the proposed legislation are reasonable and balanced. I support the bill.

**Hon. LOUISE ASHER** (Monash) — I support the Control of Weapons (Amendment) Bill. It is appropriate that Mr Pullen, a member of the socialist left faction of the Labor Party, has led the opposition on the bill relating to knives — although he is probably a victim rather than an aggressor.

The bill removes knives from the category of dangerous articles and extends the power of police to search without a warrant under certain circumstances and situations. Knives will be classified as regulated weapons. Clause 5 contains the key features: if a member of the police force has reasonable cause to believe someone is carrying a knife without just cause, that member of the police force may search the person. If a person is found in possession of a knife without sufficient reason, the police will now have the ability to seize and confiscate the knife. For those concerned about the civil libertarian aspect, the other side of the equation is that someone who is being searched will be able to ask the police member to state orally or in writing his or her name, rank and place of duty, which parallels the situation under the Crimes (Amendment) Act.

There are three categories of weapons covering the carrying of knives. The first is prescribed weapons, which are banned weapons, except in extremely limited circumstances. Police currently have the power to search without warrant for prescribed weapons, but in many circumstances it is difficult to determine whether a weapon is prescribed simply by seeing it or hearing someone's description of the type of weapon an aggressor may have had.

The second category is regulated weapons — knives are being reclassified into this category — which may be carried for legitimate recreation, sport or employment purposes. The third category is dangerous weapons, the category in which knives were previously included. If someone were found carrying a knife, a dangerous weapon, he or she could simply claim to be carrying it for self-defence and the police were unable to do anything about it.

**Hon. D. A. Nardella** interjected.

**Hon. LOUISE ASHER** — I note that members of the pledge faction, Mr Nardella, carry knives for

## CONTROL OF WEAPONS (AMENDMENT) BILL

778

COUNCIL

Tuesday, 24 May 1994

self-defence all the time. Knives have been used extensively in crime and it is important that we examine their regulation. There is a lot of talk in the community about the regulation of guns and the extent to which regulations should be made. That is an important debate that has been continuing for some time. Mrs McLean consistently raises in this place the matter of the regulation of guns, but the same attention has not been given to knives. We should pay a significant degree of attention to knives, given that many young people are carrying them on the streets at night and they are being used in many serious crimes.

What is the practical effect of the bill? It will remove knives from the category of dangerous weapons and reclassify them as regulated weapons. It will no longer be sufficient to claim self-defence as a reason for carrying a knife. It was often difficult for the police to make an assessment about self-defence, and if one claimed to be carrying a knife for self-defence that was the end of the matter.

**Hon. D. A. Nardella** — They are probably defending themselves from the police.

**Hon. LOUISE ASHER** — That is outrageous, Mr Nardella: it is probably one of the worst interjections you have made since you were elected to this place. It is a disgusting reflection on the police force and one that does you no credit.

The practical effect of the bill is that people must have a legitimate reason for carrying a knife and that reason must relate to employment, recreation or sporting purposes. The bill increases police powers in a number of areas: firstly, police will have wider search powers for both regulated and prescribed weapons, which is a long-overdue reform. Secondly, the carrying of knives for sinister purposes — that is purposes that are not connected with employment, recreation or sport — will result in the knives being confiscated by the police.

**Hon. Jean McLean** — What about pocket knives?

**Hon. LOUISE ASHER** — They can be carried for legitimate purposes.

**Hon. E. G. Stoney** — Such as Swiss army knives.

**Hon. LOUISE ASHER** — I carry one. Thirdly, the police will have the power to search for and confiscate knives in public places only. That is important for public safety.

The bill is consistent with the government's policy of giving police broader powers. During debate on the Crimes (Amendment) Bill during the last sitting of Parliament the opposition opposed the policy of broader police powers, but I am pleased to see it supports this particular law and order policy which will increase the regulation of the carrying of knives in public places.

Some of my observations about the bill's application in my electorate are worthy of note. In February this year a pool party was held at the Harold Holt Memorial Swimming Centre in Malvern which was attended by more than 2000 young people. At the end of the pool party when the young people were travelling home there was a disgraceful occurrence: a knife attack by a gang of about 80 to 100 young men on a particular group of people.

That incident shocked the community to the core, and it is an example of a situation in which the police basically had no power. Previously, if the police had asked those young people why they were carrying knives, the answer that they were for self-defence was legitimate. Under this bill that will no longer be the case. A gang of young men will not be able to legitimately carry knives late at night because self-defence will not be an allowable reason for carrying a regulated weapon. If a similar circumstance ever occurred again — obviously everyone hopes it does not — the police would be able to confiscate knives from such a gang of people hanging around outside a party of young people. The police being given that power is an extremely positive step forward.

I now refer to St Kilda, which is in my electorate. It has had many problems with young gangs or groups of young men carrying knives on the streets, taking knives into nightclubs and attacking with knives people walking along the streets, sex workers, people attending restaurants and a range of other people. There is no reason for those people to be carrying knives on the streets of St Kilda. It is having an adverse impact on many businesses and on the night life in the area and on public safety because many people are reluctant to visit there.

As Mr Pullen correctly pointed out, if there is a perception that young people with knives are in the area and that people will be intimidated, then in certain circumstances people will stay away. This issue is integrally bound with community safety and, in particular, with safety on the streets of St Kilda.

## CONTROL OF WEAPONS (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

779

I will use an example. It will be completely legitimate for a person fishing on St Kilda pier to carry a knife when that person is fishing; it is for a legitimate sporting purpose. The reason for carrying a knife is obvious and that person's right to carry a knife will not be affected. However, under the new legislation a group of young people in a gang walking around Acland Street carrying knives or with knives strapped to their legs clearly do not have a legitimate reason for carrying those knives. The police will have the power to search those people without warrants and, more importantly, will have the power to confiscate the knives.

The proposed legislation will assist the police in carrying out their extremely difficult job, which involves being on the streets at night and, more importantly, it will assist members of the community who have a right to walk the streets at night without being assaulted by gangs of youths brandishing knives.

The police have requested this power and the government believes it is appropriate. The main impact of the bill is that it will disarm gangs; the legitimate use of knives will obviously still be lawful. People who carry Swiss army knives will still be allowed to carry them. People using knives for their business, employment or sports will continue to be allowed to carry them. However, the knives of gang members will be confiscated by police.

In my view, knives are too dangerous for anyone to be allowed to carry them on the street — particularly at night — without a reason. Mr Pullen made the comment that this bill is only one component; he is probably correct. The government has never asserted that this bill is some sort of panacea. However, it represents an extremely practical solution to an immediate problem on our streets. I commend all involved in putting this bill together. I believe it has particular practical application in certain areas of my electorate, unfortunately, and it will give the police power to make the streets just that little bit safer at night.

**Hon. E. G. STONEY** (Central Highlands) — I am pleased to contribute to the debate on the Control of Weapons (Amendment) Bill. The bottom line of this proposed legislation can be found in the last paragraph of the second-reading speech, which I quote:

The government believes the bill will assist in making Victorian streets and other public places, for example

discos, safer places in which to travel or congregate. At the same time, all current legitimate uses of knives will continue to remain lawful.

That is the bottom line and it is one which this legislation will achieve. The extent of this problem is widespread. Almost every morning on the radio, because the papers miss the incidents, one hears about stabbings, assaults, people being held up, or people being mugged with knives the night before in both minor and major incidents. The papers tend to ignore the incidents, except if they are serious. However, almost every day in the papers there is an account of a serious crime in which knives play a part.

**Hon. Jean McLean** — It is invariably in the home or somewhere like that.

**Hon. E. G. STONEY** — Both, Mrs McLean, but certainly very much in the streets, as I am about to prove. An article in the *Herald Sun* — unfortunately I do not have the date — headed 'Knifed in mall brawl' states:

The tip of a knife broke off in a man's chest after he became involved in a brawl with a group of men in the Bourke Street mall yesterday.

The injured man was walking through the mall with a group of friends, when they became involved in an argument with another group.

A fight broke out and a man produced a knife, stabbing the 25-year-old man in the chest under his right arm.

Six people were interviewed in relation to the attack.

This occurs time and time again.

The *Herald Sun* of 25 April under the heading 'Police seek help on club stabbing' reports:

Detectives investigating the unprovoked stabbing of a teenager in a Melbourne nightclub are calling for the young woman who helped the victim to come forward ... Standing at a bar, he was knifed after a group of youths approached him from the dance floor.

The interesting thing is that this problem is confined not only to Melbourne, because the *Herald Sun* of 12 May, under the heading 'Police probe stab death', reports:

## CONTROL OF WEAPONS (AMENDMENT) BILL

780

COUNCIL

Tuesday, 24 May 1994

Homicide squad detectives are questioning a man in relation to the stabbing death of a man in Swan Hill last night.

The 29-year-old man was stabbed in a Pie Street flat.

There you are, Mrs McLean, you are right in part.

He was taken to the Swan Hill hospital about 5.45 p.m. but died a short time later.

A 27-year-old man was taken into custody.

**Hon. Jean McLean** interjected.

**Hon. E. G. STONEY** — It is more likely that a 27-year-old man will be stopped by the police if he is acting suspiciously on the street. The chances are there. He knows he can be stopped; he knows he can be searched and the incentives are there for him to act lawfully.

Knives are used nearly twice as often as other weapons in deadly and other assaults. Unfortunately, knives can still be carried for self-defence, and police have no powers to search people suspected of carrying them. Australia is becoming more Americanised every day, one of the results of which is the emergence of street gangs carrying knives.

The statistics speak for themselves. The Victorian Police Force statistical review of 1992-93 shows that in the homicides for that period, hand guns were used on 2 occasions, rifles, 7 occasions, and knives, 15 occasions; in attempted murders various guns were used on 19 occasions and knives, 25 occasions; in serious assaults, firearms were used on 27 occasions and — this is the crux — knives were used on 207 occasions.

Mr Pullen said that a knife is a very direct weapon. Often a few millimetres may mean the difference between life and death. Many of the serious assaults with knives could have resulted in murders! The statistics also show that in minor assaults various guns were used on 125 occasions and knives, 229 occasions. The statistics are shown on page 68 and page 78 of the report. Police officers have a lousy job; and, despite what Mr Nardella said earlier, they do their jobs very well. They need more assistance from legislators, which is why the government has introduced the bill.

Ms Asher referred to the category of weapons described as dangerous articles. The bill removes

knives from the dangerous article category and makes them regulated weapons. It will enable police to search people they suspect of carrying weapons for illegal purposes. Self-defence will no longer be a legitimate excuse for carrying a knife. Mr Pullen said that knives are dangerous weapons because of their directness, and I entirely agree with him. The community does not believe youths carrying knives should be free to roam the streets in gangs or hang around discotheques or other areas where young people congregate.

Fisherman and hunters have legitimate reasons for carrying knives, as do people who may carry Swiss army knives to peel an apple or sharpen their pencils. I am reminded of the film *Crocodile Dundee*. As honourable members will recall, Dundee was taking in the sights of New York with his girl when a callow youth tried to hold him up with a knife. Dundee pulled out his very large knife and said, 'That's not a knife, this is a knife!' It was very funny. However, the downside of that film is that for many people it glamorised muggings, giving them the wrong impression. It gave the message that it is okay to defend oneself with a knife — and the bigger, the better. It gave the message that knives are good. We must tell the community that the reverse is true.

We must send the message to young people that it is not acceptable to carry knives for self-defence or for other illegal purposes. We must also tell them it is not acceptable to roam the streets in gangs, carrying knives just in case they happen to meet other gangs carrying knives. The bill's message is that they must modify that behaviour, otherwise they will be stopped by the police and searched. The statistics tell the story, which is why the measure is vitally needed. I support the bill.

**Motion agreed to.**

**Read second time.**

*Third reading*

**Hon. W. R. BAXTER** (Minister for Roads and Ports) — By leave, I move:

That this bill be now read a third time.

I thank Mr Pullen, Ms Asher, and Mr Stoney for their support for the bill, which deals with a very important issue. I detest the carrying of knives other than for legitimate and utilitarian purposes. The examples Mr Stoney gave are indicative of the fact

that knives are increasingly being carried by one section of society. But they are unnecessary in the sort of society this nation holds dear.

I agree entirely with Mr Pullen's remarks about perception; the analysis he drew is valid. I walk from Parliament along Nicholson Street to my residence in North Carlton. I know many of my colleagues perceive that as dangerous. I am not going to lock myself away because some people have the impression that what I do is unsafe. Once we take that view, the lawless section of our community begins to reign supreme.

I read an interesting letter to the editor of a Kilmore newspaper. The family that wrote the letter referred to the fact that they had withdrawn into their home and had turned it into a fortress because they were too frightened to move out into the community; but they realised that was not the way to live. We should not need to live that way in our community.

The bill will go some way towards removing the perception to which Mr Pullen referred. It will give police officers the powers they need to apprehend those who are carrying knives without legitimate reason.

**Motion agreed to.**

**Read third time.**

**Passed remaining stages.**

## LAND CONSERVATION (AMENDMENT) BILL

*Second reading*

**Debate resumed from 17 May; motion of Hon. R. I. KNOWLES (Minister for Housing).**

**Hon. B. T. PULLEN** (Melbourne) — Even though the bill is small it has provoked considerable interest in the community because of the importance with which some people who are concerned with conservation and land management view the Land Conservation Council (LCC). Its work has been extensive, and it has enjoyed bipartisan support for a fairly long time.

The Land Conservation Council has made friends and it has made enemies, depending upon the way its decisions have gone. However, it has earned the respect of many people in the community, even those who have not liked its decisions, because of

the excellent process it has used that has become almost a formula for good process when handling difficult and complicated planning or decision-making exercises.

The LCC earned its initial credibility because of the high standard of documentation and information that it released to the public. People who were interested in a particular issue, such as whether public land should be allocated to national park use or other land-use purposes, were able to inform themselves by looking at detailed maps and studies. They were able to take part in the ensuing process in an informed way. They were able to make submissions and then respond to the interim recommendations made by the LCC after which it would make its final recommendations. Even people who did not always agree with the decisions felt they were in the game because they had a chance to express their views.

The LCC has always had excellent chairpersons and people serving on it. I acknowledge the work of the retiring chairperson, David Scott, who has been the chairperson for nine and a half years. He has been involved in a number of controversial and difficult exercises, such as investigating public land in East Gippsland and the need for national parks, the impact of the timber industry and its impact on the region generally, as well as preserving those areas for the future. That issue required a lot of meetings, and resolution of difficult issues.

The LCC study on the Mallee also found many differences of opinion and provoked many discussions on the issues involved in the protection of those areas. Grazing and forestry interests were contrary to the long-term preservation of those areas and the people who had lived there for generations held strong views and also had an affinity for the land.

Members of the LCC, under David Scott's leadership, did not stay in an ivory tower in Melbourne to try to deal with those issues in isolation. Instead they made a practice of going out to meet the people — confronting them if necessary — and even going to remote areas for meetings in shire halls, and sometimes copping it on the chin! A number of heated meetings were held but the fact that the LCC was prepared to go out and see the people to discuss the issues has earned it a grudging respect, even from those who did not always like the direction in which it was heading.

## LAND CONSERVATION (AMENDMENT) BILL

782

COUNCIL

Tuesday, 24 May 1994

Almost everyone, with minor exceptions, has accepted the recommendations made by the LCC. Both the Labor and conservative governments have tended to rely on the process. They have been careful not to depart unduly from the recommendations made by the LCC. This has been an exceptional process that does not exist in other states. It has developed into an excellent model.

The bill changes the role of the chairperson by repealing section 3(2) to enable the chairman of the LCC to be appointed on either a full-time or a part-time basis. That appears to be a simple change consistent with the notion that the LCC has done a lot of work, but its further work may not be of an intensity to require a full-time chairman. A heavy reference may require the attention of a full-time chairman but other references may not.

I believe an inherent difficulty lies herein because of the often onerous nature of LCC duties and because of the high standards that have been set by the former chairpersons. I point to the most recent chairperson but we have also been blessed with good chairmanship from its beginning. It is necessary to attract people of high calibre but that may not always be possible if there is uncertainty in their terms of employment. This provision sends out a signal that the government may not treat the position with the same importance with which it was treated before, and that has raised some concerns. We hope that the appointment of a new chairperson will put those concerns to one side because the provision has raised concerns that the government may withdraw support or move away from its previous position and thus reduce the stature of the person. I urge the minister to respond to clarify the scenario.

**Hon. R. I. Knowles** — That is a straw-man argument. Can you explain why we have included the option of a part-time chairperson?

**Hon. B. T. PULLEN** — I will come to that. References are not flowing to the LCC and that is a signal that perhaps it is not going to be used in the future in the way it has been used in the past. The minister interjected that I am putting up a straw-man argument. I am not because there is another aspect to the matter.

The LCC no longer has the same independence under the Public Service Act that it had formerly. The bill does not provide the chairman with the power to delegate to the executive officer if the chairman is absent for any reason. That

responsibility has to be picked up by an officer in the Department of Planning and Development: the director of land use and planning. Instead of it being a separate delegation or provision under the act, it is now provided for under the Public Sector Management Act. It is a delegation from an already delegated officer, so the chairman actually receives the delegation power from the Secretary of the Department of Planning and Development and is unable to delegate further.

There is a diminution of the status of the chairman, and that is seen in schedule 1 of the Public Sector Management Act 1992. Although the Environment Protection Authority appears in column 3 of the schedule and the Chairman, Environment Protection Authority appears in column 4, no chairman of the Land Conservation Council is listed in the schedule. Therefore, the chairman derives his or her authority only by delegation; that is not equivalent to a situation where the Land Conservation Council can appoint the chairman under its own act, and that is the reason for the amendment. Accordingly, I move, as an amendment:

That all the words after 'That' be omitted with the view of inserting in place thereof 'this house declines to read this bill a second time until appropriate action is taken by the government to maintain the clear and perceived independence of the Land Conservation Council by adding it to schedule 1 of the Public Sector Management Act 1992.'

It is clear that although the Land Conservation Council is not a large body in terms of its numbers, it has played an important role. The minister said by way of interjection that the government supports the council's role and is not intending to diminish the logical consequence of its role. The government should return the council's role to its former status, that being equivalent to the Environment Protection Authority, which is regarded as an independent body and is recognised in the schedule.

The Land Conservation Council should be set down in schedule 1 of the Public Sector Management Act. I hope this is just an omission and not a deliberate watering down of the position of the Land Conservation Council. I ask the minister to take the matter on board and to provide an undertaking that the government will rectify the situation, place the Land Conservation Council in the schedule and make it clear to the people who are concerned about the independence of its role that it will continue as a fair adjudicator and a good examiner of important public and community issues as before, and that it

## LAND CONSERVATION (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

783

will not be relegated to being a component of a government department where its delegation is derived from the authority of the secretary. That is the chief point I wish to make and that is why I moved the amendment, and I urge honourable members to support it.

**Hon. R. I. KNOWLES** (Minister for Housing) — At the outset Mr Pullen's contribution acknowledged the bipartisan support the Land Conservation Council has enjoyed since its inception and which has continued to this day. Mr Pullen went on to record the reason for the Land Conservation (Amendment) Bill being introduced and pointed out that the broad-scale district review that the council has been involved in for many years has now been completed, and that a review of the Land Conservation Council's (LCC's) operations conducted by the council in the first half of 1993 identified the point. However, it did not identify it, and the government has accepted and supported the notion that the council has an important ongoing role in the future to look at specific issues that are referred to it and canvassed concerning the undertaking of studies, with the various options being brought forward to provide to the public a report on which the government of the day can arbitrate.

Because of its specific nature, Mr Pullen's amendment is applicable to the role of the chairman whether it is a full-time or a part-time position. This matter was raised by Doug Humann, the Director of Victoria National Parks Association Inc., who brought it to the attention of my colleague the Minister for Planning on 29 April. As a result of his concerns I have been advised by the Minister for Planning that the suggestion that the Land Conservation Council should be added to schedules 1 or 2 of the Public Sector Management Act 1992 is not the only available option.

**Hon. B. T. Pullen** — It needs both!

**Hon. R. I. KNOWLES** — In the past the LCC has sought clarification from the Office of the Public Service Commissioner on the provisions of the Public Sector Management Act 1992 as they affect section 4 of the Land Conservation Council Act which gives the chairman 'the powers, duties and functions of a permanent head of a government department' and the impact on the independence of the council.

In a letter to me the Minister for Planning said:

In October 1993 the Office of the Public Service Commissioner (OPSC) advised the council of possible options to reinstate the powers, duties and functions of the Chairman of the LCC. The option of adding the LCC to schedule 1 of the Public Sector Management Act 1992 was not recommended by the OPSC, as government policy is that organisations should not be added to this schedule. The other two options related to the addition of the LCC to schedule 2 of the Public Sector Management Act 1992 or the delegation of personnel powers by the Secretary of the Department of Planning and Development, Mr Barry Nicholls. The latter course of action was pursued and the personnel powers were delegated by the Secretary, Mr Nicholls, to the chairman in February 1994.

An extension of personnel delegations by the secretary, Mr Nicholls, to the director, land use planning would be the most appropriate course of action, in the event that the government appoints a part-time chairman. This would enable the LCC to carry out all of its day-to-day personnel functions in the absence of a full-time chairman.

Therefore, it is the minister's view that neither amendment nor withdrawal and redrafting of the bill is necessary.

The minister's letter further states that it is the government's strong view that:

... the independence of the council is gained through the integrity and acceptance of its policy recommendations with respect to the use of public land in Victoria and not by the level of delegation of personnel powers.

Therefore, the government is unable to accept the reasoned amendment moved by Mr Pullen. However, in rejecting the amendment I reiterate that it is the government's firm view that the LCC has an important and ongoing role, but it will not be at the level of intensity that it has held in the past because the broad-scale district reviews have now been completed and, as the council pointed out, it is likely that in the future more specific reviews will be referred to it. As in the past, it is the quality of work that the council undertook and the credibility of the recommendation that gave integrity and independence to both the council and the process.

It is the government's view that that will continue to be the case. The government has advertised widely for a replacement for Mr Scott, who, as Mr Pullen said, made an outstanding contribution in his role as chairman of the council. The government is keen to

## SUBDIVISION (FURTHER AMENDMENT) BILL

784

COUNCIL

Tuesday, 24 May 1994

select the best person for the position: a person who has standing and will give credibility to the process, which the government is keen to see maintained.

**House divided on omission (members in favour vote no):**

*Ayes, 29*

|               |                              |
|---------------|------------------------------|
| Asher, Ms     | Forwood, Mr                  |
| Ashman, Mr    | Guest, Mr                    |
| Atkinson, Mr  | Hall, Mr                     |
| Baxter, Mr    | Hallam, Mr                   |
| Best, Mr      | Hartigan, Mr                 |
| Birrell, Mr   | Knowles, Mr                  |
| Bishop, Mr    | Skeggs, Mr ( <i>Teller</i> ) |
| Bowden, Mr    | Smith, Mr ( <i>Teller</i> )  |
| Bridson, Mr   | Stoney, Mr                   |
| Connard, Mr   | Storey, Mr                   |
| Cox, Mr       | Strong, Mr                   |
| Craige, Mr    | Varty, Mrs                   |
| Davis, Mr     | Wells, Dr                    |
| de Fegely, Mr | Wilding, Mrs                 |
| Evans, Mr     |                              |

*Noes, 14*

|                |                              |
|----------------|------------------------------|
| Davidson, Mr   | Mier, Mr                     |
| Gould, Miss    | Nardella, Mr                 |
| Henshaw, Mr    | Power, Mr ( <i>Teller</i> )  |
| Hogg, Mrs      | Pullen, Mr ( <i>Teller</i> ) |
| Ives, Mr       | Theophanous, Mr              |
| Kokocinski, Ms | Walpole, Mr                  |
| McLean, Mrs    | White, Mr                    |

**Amendment negatived.**

**Motion agreed to.**

**Read second time.**

**Passed remaining stages.**

### SUBDIVISION (FURTHER AMENDMENT) BILL

*Second reading*

**Debate resumed from 17 May: motion of Hon. R. I. KNOWLES (Minister for Housing).**

**Hon. B. T. PULLEN (Melbourne)** — The Subdivision (Further Amendment) Bill has been introduced into the house as a result of suggestions made by the Administrative Appeals Tribunal, local government and people who have experienced difficulty with the operation of some aspects of the act. In a sense they are technical improvements that

have arisen from further practical experience with the Subdivision Act, which was passed by Parliament in 1988. Most people associated with the act believe it is a major reform that has streamlined and improved the operation of the subdivision process. The amending measures have been introduced to carry that improvement one step further.

I shall comment on only two provisions. The first, clause 3, provides for greater flexibility in the handling of the 5 per cent contribution of land to public open space. Based on experience, that provision allows more flexibility in the contribution made through a mixture of land and cash. It also picks up an ambiguity in the way the current act is worded.

This matter was raised by the Administrative Appeals Tribunal. The view was that the present wording was unclear as to whether it meant 5 per cent of the value of the land or the value of the land. The bill makes it clear that the intention is 5 per cent of the value of the land. In reality, that is normally negotiated between a subdivider and a council.

Through its power to remove easements the legislation will become more flexible because it will allow amenity to be taken into account in the adjustment of easements. In the past it had to be shown that an engineering or other reason was necessary for a change. The bill reduces that restriction. It is seen to make things easier, provided that the power is used with discretion. Some areas may have potential for urban consolidation, and the power should not be used to preclude easements that exist for the eventual benefit of Melbourne and other areas. Were the easements to be removed for amenity purposes without taking into account the needs of the future, that could lead to lost opportunities and restrictions. Subject to the reservation that it be used with discretion, on my reading of the bill the increased flexibility will be beneficial to allow an owner to enjoy the amenity of a piece of land which he or she may have thought was needed for an easement.

They are the two main aspects of the bill upon which I wish to comment. The legislation results from constructive criticisms and comments of people involved in the operation of the subdivision legislation since 1988. The bill is largely technical, and the opposition supports the changes.

**Motion agreed to.**

## TREASURY CORPORATION OF VICTORIA (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

785

**Read second time.**

*Third reading*

**Hon. R. I. KNOWLES** (Minister for Housing) —  
By leave, I move:

That this bill be now read a third time.

In so doing, I thank Mr Pullen for his support of the measure. He has correctly identified the reasons why the bill was introduced.

**Motion agreed to.**

**Read third time.**

**Passed remaining stages.**

### TREASURY CORPORATION OF VICTORIA (AMENDMENT) BILL

*Second reading*

**Debate resumed from 19 May; motion of**  
**Hon. R. M. HALLAM** (Minister for Regional Development)

**Hon. T. C. THEOPHANOUS** (Jika Jika) — The opposition does not oppose this legislation, which contains a number of elements associated with Treasury Corporation of Victoria. The legislation provides me with an opportunity of commenting on the role of TCV and its handling of debt and issues surrounding it in Victoria.

In its present form the bill has three essential components. It enables the Home Opportunity Loans Scheme Trust to provide funds for home loans through funding arranged by the Treasury Corporation of Victoria. At present that cannot be done because of the current definition in the Treasury Corporation of Victoria Act.

The second aspect of the bill is that it confirms the authority and enforceability of arrangements made between the Capital Works Authority and the Victorian Public Authorities Finance Agency, also known as VicFin, which the Treasury Corporation of Victoria has now replaced and whose responsibilities and obligations the corporation has assumed. The bill simply confirms the authority of the corporation in relation to VicFin.

The third aspect is that the bill separates the requirements of the corporation under the Treasury

Corporation of Victoria Act and those of the Victorian Debt Retirement Fund Act. I understand that those arrangements will apply only for this year because from 1994-95 the reporting arrangements of the corporation will be dealt with under the Financial Management Act. Those arrangements are of an interim nature.

When in government the Labor Party opposition supported the establishment of a central borrowing role for TCV; it certainly supported its introduction by this government. The former government introduced appropriate legislation but it was opposed by the Premier and Treasurer when in opposition.

The difference in approach between the conservative parties and the Labor Party is interesting. The Labor Party did not seek to gain short-term political gain by changing position on these matters in the time between being removed from government and now. The opposition supports the notion of the centralisation of debt management under the control of the Treasury Corporation of Victoria. The Labor Party adopted that line when in government and will continue to lend that support now.

There are a number of reasons for adopting that approach. A centralised debt management structure improves liability management. Centralised debt management improves the diversification of risk and allows an appropriate mix of fixed-rate, variable-rate and onshore and offshore loans to be maintained in the portfolios. It improves the marketability of the securities and, generally speaking, provides investors with more secure liquid investment opportunities than would otherwise be the case.

The centralisation of debt management has a number of advantages for Victoria and, for that reason, the opposition strongly supports it. It is partly as a result of the centralisation of debt that Victoria's debt financing costs have been reduced. The present government must bear the responsibility for not allowing the previous government to have begun debt centralisation earlier.

The opposition supported and continues to support management of debt from state-owned enterprises by the Treasury Corporation of Victoria. That is a significant issue. I recall trying to negotiate with state-owned enterprises about their debts. They were reluctant to have the Treasury Corporation of Victoria or any other government organisation

manage their debt; they considered that they had built up expertise in that area. It is true to say that the former State Electricity Commission of Victoria had considerably more expertise in the management of debt than VicFin. That was not true of all government business enterprises and I doubt that the Gas and Fuel Corporation had the same level of expertise as that achieved by the former State Electricity Commission of Victoria.

The various statutory authorities were inconsistent in their approaches to debt management. The opposition supports the notion that the Treasury Corporation of Victoria ought to be managing the debt of those authorities and perhaps charging a small management fee. The authority will benefit from the centralised management of a much larger pool of money than would otherwise be the case.

Even with central debt management, organisations are still subject to the vagaries of the market and rising interest rates. Situations change, and that can make budgetary management very difficult. It is arguable that one of the reasons the previous Labor government had difficulty trying to balance the budget was the huge increase in interest rates that led to a blow-out in debt-financing costs. Interest rates rose from less than 10 per cent, probably around 8 per cent, to — at the extreme — more than 20 per cent. Obviously the movement in interest rates affects the state's debt-financing costs, and that was the case during the time of the former Labor government. I should point out for the record that the previous state government cannot be held responsible for the blow-out in interest rates. It was an international and national phenomenon.

The reduction in international interest rates has been of great assistance, especially to developing countries. Victorian authorities would be aware that interest rate increases have a sizeable impact on the state's current account deficit or surplus as the case may be. A 1 per cent increase in interest rates has the capacity to cost the state a further \$200-odd million.

**Hon. R. M. Hallam** — Per year.

**Hon. T. C. THEOPHANOUS** — Yes. Therefore, when one thinks about balancing budgets and creating appropriate surpluses, one ought to remember that such calculations take place within the parameters of such things as projected interest rates. In the recent budget papers the Treasurer predicted that interest rates would remain stable. If interest rates increase, Victoria could face a significant deterioration in the budgetary outcome.

At the end of the day Victoria cannot blame others. The state must manage its own debt; it must make contingency plans for such things as interest rate increases. That is a good thing. It was interesting to read a recent comment made by the Premier after the federal government's budget. The *Herald Sun* of 10 May reports the Premier as having said:

The Victorian government's interest rate on 10-year money has blown out from 6.75 per cent to 9.45 per cent in the past three months, and this massive increase is in part due to Canberra's refusal to rapidly eliminate its budget deficit.

It is important to put on the record that that statement from the Premier is absolute nonsense; obviously he does not understand the issues. Rising interest rates of that magnitude have absolutely nothing to do with the federal government budget deficit — they have a significant amount to do with recent increases in international interest rates. Most of the increases flowed to Australia from recent movements in the United States interest rates. The Premier is wrong about that.

I should be interested to know whether the significant increase in the 10-year bond rate to which the Premier referred has been taken into account in the Treasurer's recent economic statement or whether Victorians are likely to see those debt-servicing cost projections become out-dated. Given that the Premier made that statement on 10 May, it would be interesting to know whether at that point the Treasury had adjusted its figures to take account of the Premier's claimed increase of approximately 3 per cent in 10-year bond rates. The impact of such an increase on the long-term rates depends on the debt profile of the state; therefore considerable analysis would be needed to determine the exact impact on the state budget.

The first purpose of the bill relates to the ability of the Home Opportunity Loans Scheme Trust to provide funds for low-start home loans through the Treasury Corporation of Victoria. At present it cannot undertake that because within the definition of the act it is not a public authority. The scheme has had a chequered history but it has assisted many Victorians, particularly low-income families, who otherwise would have been unable to buy their own homes. The opposition recognises that there have been difficulties with the system, but nobody would say that it has not helped a significant number of Victorians to buy their own homes.

The scheme was designed for low-income earners, but it begs the question of whether low-income families are able to buy their own homes in the current environment. For low-income earners the increases in taxation imposed by the government have put a house a little bit further out of reach. People who have purchased houses under the scheme face additional charges as a consequence of the government's actions. The opposition calculates that to date the extra taxes imposed on every household amount to about \$1500. It is a significant sum of money, particularly for people struggling on low incomes who want to buy their own homes, whether it is through the home opportunity loan scheme or some other funding source. I direct the attention of the house to taxes such as the \$100 home tax, which is regarded as highly inequitable and an example of a case where everybody is supposed to pay the same. Some ignorant people, including members of the government, say it is equitable because everybody pays \$100. Such ignorance is breathtaking. Of course the tax is not equitable because its impact on somebody who is struggling in a former Housing Commission home is different from the impact it has on the owner of a mansion in Toorak.

The government has increased electricity, water and gas charges by 10 per cent. The electricity tariff has gone up from \$16 to \$33, making it more expensive for low-income earners than high-income earners. In effect, low use of electricity is more expensive than heavy use. On equity and environmental grounds the opposition opposes the change and flags its intention to change the situation upon election.

Motor registration fees have increased, as have child-care and kindergarten fees. Kindergartens have had to increase fees by 50 per cent or even 100 per cent.

**Hon. D. A. Nardella** — Even 400 per cent!

**Hon. T. C. THEOPHANOUS** — I do not have an example of a 400 per cent increase, but I know kindergartens have had to increase their fees significantly. When he returned from a visit to the United States of America the former federal Deputy Leader of the Opposition, Dr Michael Wooldridge, who was seen in opposition ranks as a bit of a wet, said that every child in Australia should have access to affordable preschool education. Obviously he was not referring to the Victorian government's activities. He received no support from the Premier during the recent leadership manoeuvring within the Liberal Party. The Premier is not interested in

policies such as every child having access to low-cost, affordable preschool education.

**Hon. D. A. Nardella** — Or quality preschool education!

**Hon. T. C. THEOPHANOUS** — That is evident from the action of this government. While the opposition does not object to the scheme or the changes in the legislation we submit that the purpose for which the scheme was established — to assist low-income earners — runs counter to the government's decision to increase taxation for the very same people because it is now more difficult to realise the Australian dream of buying a home. The bill confirms the authority and enforceability of the arrangement made by the Capital Works Authority and the Victorian Public Authorities Finance Agency (VicFin), which the Treasury Corporation replaces.

It has assumed its responsibilities and obligations. The opposition has no difficulty with the second part of the legislation. I am not sure that it is necessary, but it was included as a technical amendment to be on the safe side rather than to add anything substantial to the legislation.

The third part of the bill separates the reporting requirements of the corporation under the Treasury Corporation of Victoria Act from those under the Victorian Debt Retirement Fund Act. Those reporting requirements will apply for this year only because from 1994-95 onwards they will be dealt with under the Financial Management Act. Again the opposition has no real problem with those provisions, but I voice its concern about the current reporting requirements of TCV. The single most important aspect of that concern relates to the corporation being exempt from the Freedom of Information Act.

Before addressing that specific matter I point out that is not the only aspect of the corporation's reporting that concerns the opposition. The opposition has said that the formation of the corporation by the government has severely reduced the accountability of state-owned enterprises because it is not subject to the Ombudsman or a range of accounting requirements, including real-rate-of-return accounting requirements, to which it was previously subject. The corporation is not even operating on the basis of full accrual accounting.

The reporting requirements of the Treasury Corporation of Victoria are inadequate because

information is not being provided to Parliament and the public through freedom of information. This aspect was brought starkly into view recently when the Premier and the Treasurer pranced overseas on an overseas jaunt.

**Hon. R. M. Hallam** — A jaunt! Did you look at the itinerary? That shows how much you understand the process.

**Hon. T. C. THEOPHANOUS** — I am happy for the minister to defend the trip. But the best way for him to do that is to intervene personally and secure from the Treasury Corporation of Victoria information about the cost of the trip, the financing of the trip and the justification for it so that we all know what took place. The opposition has no objection to Premiers, Treasurers or ministers going overseas if they are acting in the interests of the state.

**Hon. R. M. Hallam** — Then why did you describe it as a jaunt?

**Hon. T. C. THEOPHANOUS** — They must justify that expenditure in the interests of the state. Unless a justification in financial terms —

**Hon. Louise Asher** — What about Brumby's trips?

**Hon. T. C. THEOPHANOUS** — A justification should be made available to the people of Victoria. The people have a right to consider such trips as jaunts because in the past information about the expenditure of ministers on overseas trips has been available. Under the mechanism where overseas trips are paid for by the Treasury Corporation of Victoria no-one is told the total cost of the trips or the individual items of expenditure, including how much was spent on credit cards, taxis and hotel accommodation. People have a right to know that.

**Hon. Louise Asher** — Like in the federal case? Like Brumby's \$3000 dinner party?

**Hon. T. C. THEOPHANOUS** — I am glad Ms Asher brought up the federal case. She can interject and make those comments because she has access to that information.

**Hon. Louise Asher** — Under FOI.

**Hon. T. C. THEOPHANOUS** — I am glad that she said that —

**Hon. Louise Asher** — Which Brumby tried to hide.

**Hon. T. C. THEOPHANOUS** — Regardless of whether a minister tries to stop that access, FOI allows people to appeal to an independent court to make a judgment, whereas under this legislation the TCV is not subject to FOI requirements. So, Ms Asher, no-one can find out under freedom of information how much the Premier spent on his overseas trip. Ms Asher may be concerned that the Premier and the Treasurer had their own cocktail party in New York on which they spent \$3500, I do not know. You do not know. We will never know. No-one is capable of finding out that information. That is the point I am making.

It is the height of hypocrisy for government members to say, 'Well, we have freedom of information for federal overseas trips', and attempt to use that as some sort of argument when all the opposition wants is exactly the same right. The opposition wants to be able to find out that information. If I knew that information I would be happy to withdraw my remarks about the trip being a jaunt because I would be able to satisfy myself that there was no \$3500 cocktail party for Jeffrey and his mates.

**Hon. D. A. Nardella** — Ron was there too!

**Hon. T. C. THEOPHANOUS** — Jeffrey, Ron and Alan, a great team! I would be happy to find that it was not a jaunt, but under the present situation we do not know.

It is absolutely inappropriate for a corporation which deals with the state debt not to be subject to freedom of information provisions. The Minister for Regional Development in his heart of hearts knows that it is inappropriate for that to occur. I am sure that if he were on the Public Accounts and Estimates Committee — the Economic and Budget Review Committee, as it was formerly known — he would be crying foul and saying how outrageous it is for the entity that is dealing with all the state's debt not to be subject to freedom of information provisions. He would be yelling it from the treetops. In his heart of hearts he knows that, so let us have an end to the hypocrisy.

The opposition is extremely concerned about the matter. It is also concerned about the debt, economic and financial management of the state. The present administration is responsible for rising debt. The opposition estimates that the voluntary departure

package (VDP) program alone added more than \$3000 million to state debt. We have already discussed how inappropriate that expensive program was. On any reasonable cost-benefit analysis, the payback period is inappropriate. Recent Department of Finance figures show that a significant number of people over the age of 55 took sizeable packages. The government's departure package program was stupid not only because many of those people would have retired anyway and the government need not have made that capital investment, but also because in many cases the program accelerated the outflow of capital from the state as people took their VDPs interstate with them. With fewer people left in the state, the debt burden is spread over fewer Victorians than would otherwise be the case. Victoria's per capita debt is increasing.

**Hon. Bill Forwood** — That is a fudge!

**Hon. T. C. THEOPHANOUS** — Government members may want to use alternative figures on the debt-to-gross-domestic-product ratios, and I am quite happy to compare the figures with those of other states. However, for Victoria the central issue is not just the debt-to-GDP-ratio decline; we have to reduce debt in real terms in Victoria. It is not just a matter of saying the GDP has increased by whatever the Treasurer thinks it will increase by. One should remember that estimates can be wrong and that only a marginal change can create substantial movements. In real terms the Treasurer is projecting an increase in debt over the next three or four years. He hopes the GDP will rise to the extent that he can produce graphs that show that the GDP-debt ratio has declined. He is not fooling anyone because the fact is that —

**Hon. R. M. Hallam** — We must have fooled the *Australian Financial Review*!

**Hon. T. C. THEOPHANOUS** — People understand that if debt is \$7000 a head today and \$8000 a head in two years time, that represents an increase. You can juggle around with debt-to-GDP ratios for as long as you like but people understand that fundamental fact. The opposition is only too happy to inform people of that fact; the public needs to understand the government's con job.

**Hon. R. M. Hallam** — That is hardly consistent with the economic miracle that appeared in the *Australian Financial Review*!

**Hon. T. C. THEOPHANOUS** — We are concerned at the way debt management has occurred.

**Hon. R. M. Hallam** — So all the financial writers are wrong?

**Hon. T. C. THEOPHANOUS** — Perhaps the economic illiterates opposite have a problem with that concept. However, the Treasurer does not have a problem with the statement that debt is increasing. He recognises that fact, and has a justification for it, unlike other government members who do not seem to understand. The Treasurer's justification is that the debt increased because the government sacked people to get them off the books. I understand that is an investment and, although it certainly reduces recurrent costs in the future, the capital investment also adds to debt. The government has not established any benefits for the voluntary department package program on financial grounds, particularly in terms of its magnitude and particularly considering that, unlike the first-round VDP payments which had an average cost of \$25 000 —

**Hon. R. M. Hallam** — They redeployed the people who took the packages under your scheme. You deployed the same people; that is how well you travelled!

**Hon. T. C. THEOPHANOUS** — I know government members do not like hearing this. They can sit over there and say, 'It's all your fault; what would you know?'. But we will keep saying that unemployment has increased, debt has increased and people are leaving the state. The government has to find a way of countering those arguments because people understand the facts. You can talk about debt-to-GDP ratios as much as you like but people are feeling the pinch, particularly with extra taxes and the cutbacks to services.

The government knows that unemployment is worse in Victoria than anywhere else in the country. It knows that Victorians are leaving the state in droves. The Minister for Regional Development, who cannot come up with a single initiative to create jobs, harps on the theme of, 'The former government did it all wrong'. The opposition would like to see this government do a few things right!

A reasonable industry policy might deliver real benefits to Victorians. I am happy to welcome the improvements in export growth that have occurred in recent times, but as I have said on earlier

# TREASURY CORPORATION OF VICTORIA (AMENDMENT) BILL

790

COUNCIL

Tuesday, 24 May 1994

occasions, those increases in export growth have been largely the result of the direct interventionist policies of the former government, the federal government and local government in partnership in a variety of areas — Kodak (Australasia) Pty Ltd, the pharmaceutical industry and the car industry are all the subject of industry plans devised by the previous government in cooperation with the federal government. In the long run those plans will lead to a reduction in debt in Victoria. Our export-orientated industries are the strengths on which the Victorian economy will be built. The government's industry policy amounts to the Premier trying to buy an airline with \$5 million so that it will bring flights directly to Melbourne.

**The PRESIDENT** — Order! I ask the honourable member to press on with the bill.

**Hon. T. C. THEOPHANOUS** — Without proposals that produce real growth, Victoria's debt will not be reduced in real terms. I should put that another way: it is possible that the debt that will be handled by the Treasury Corporation of Victoria will be reduced in the future, but that reduction will have nothing to do with financial management, growth or higher employment levels. It will have to do with the present government having a significant program of privatisation that will reduce the level of debt currently being managed by the corporation.

The opposition accepts that one of the government's aims is to shift debt from the public sector to the private sector by massive privatisation programs, in particular the privatisation of the former State Electricity Commission of Victoria. We accept that that is what the government is doing, but we do not agree with it. In macro-economic terms it will simply mean that private debt in Victoria will rise and — this is the important part — the level of overseas ownership of the SEC and state-owned enterprises — —

**Hon. R. M. HALLAM** (Minister for Regional Development) — On a point of order, Mr President, I have heard the honourable member speak at great length on this issue. I remind you, Mr President, that the bill goes to the Victorian Debt Retirement Fund Act 1990. It has two specific purposes: firstly, to clarify that liabilities of the state in respect of financial accommodation provided to it or assumed by it, whether or not incurred through the Capital Works Authority, are included in the definition of state debt — that is a specific issue — and secondly, to amend the financial reporting provisions in the Victorian Debt Retirement Fund Act 1990 to clarify

the obligations of the Treasury Corporation of Victoria. None of that has anything to do with the meanderings of the honourable member for the past half-hour.

**Hon. T. C. THEOPHANOUS** (Jika Jika) — On the point of order, Mr President, I will make two points. Firstly, it is a tradition of this place that the lead opposition speaker be allowed licence. You, Mr President, have made that point on many occasions. Secondly, the bill deals with the Treasury Corporation of Victoria, which is the principal debt management agency of Victoria. It is appropriate in that context to discuss the way debt has been managed in Victoria by the present government through the initiatives of the Treasury Corporation of Victoria.

**The PRESIDENT** — Order! I uphold the point of order. I have allowed the honourable member to speak widely during the course of the debate. The Opposition Whip will tell the honourable member that I gave him plenty of latitude because he was the only speaker on the bill at that stage and no-one was objecting to his comments. I left it up to members of the house. The bill makes passing reference — —

**Hon. T. C. Theophanous** — Can you tell me specifically where I meandered?

**The PRESIDENT** — Order! In my recent ruling I said that I look in the first instance to the purpose of the bill, which in this case is to make certain amendments. The lead speaker is given some latitude by my looking to the second-reading speech, but the reference to debt is very limited. I believe the honourable member has been given adequate opportunity to canvass those issues. I invite him to refer to the bill or to conclude his remarks.

**Hon. T. C. THEOPHANOUS** — The purpose of the bill relates to the restructuring of the Treasury Corporation of Victoria, which is the principal body that deals with the vast bulk of Victoria's debt.

**The PRESIDENT** — Order! I hope Mr Theophanous is not disputing my ruling.

**Hon. T. C. THEOPHANOUS** — No, I am not.

**The PRESIDENT** — Order! Nor will he canvass what he has already canvassed at great length.

**Hon. T. C. THEOPHANOUS** — The opposition does not oppose the range of issues dealt with by

## ARTS INSTITUTIONS (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

791

specific measures in the bill. The opposition is happy to support those specific clauses, but it is concerned at the Treasury Corporation of Victoria remaining outside the ambit of the freedom of information legislation and the consequences of that because it is concerned about state debt management, the level of debt and debt increases under the government's policies.

**The PRESIDENT** — Order! I am of the opinion that the second reading of this bill requires to be passed by an absolute majority. To ascertain whether a majority exists, I ask the Clerk to ring the bells.

**Bells rung.**

**Members having assembled in chamber:**

**The PRESIDENT** — Order! The question is that this bill be now read a second time. I am of the opinion that the second and third readings of this bill require to be passed by an absolute majority. In order to ascertain whether an absolute majority exists, I ask those members in favour of the question to stand in their places.

**Required number of members having risen:**

**Motion agreed to by absolute majority.**

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

*Third reading*

**Motion agreed to by absolute majority.**

**Read third time.**

**Passed remaining stages.**

## ARTS INSTITUTIONS (AMENDMENT) BILL

*Second reading*

**Debate resumed from 19 May; motion of  
Hon. HADDON STOREY (Minister for the Arts).**

**Hon. C. J. HOGG (Melbourne North)** — The opposition supports the bill, which seeks to make amendments in three key areas: the State Film Centre of Victoria Council Act, the Public Records Act and across arts institutions generally, where it seeks to standardise a number of common issues.

In brief, the bill is an updating bill; it makes changes to arts institutions to bring them into line with the real world. The real world of the arts is encompassed and underpinned by so much new technology that there is a great deal to reassess; in fact, it is necessary to reassess constantly many aspects that now have to do with arts media technology. The opposition acknowledges that and welcomes the bill.

I grew up in Adelaide — as did at least one honourable member opposite, and it was a good place to grow up — and was able to watch the burgeoning of the Adelaide festival under the chairmanship of Professor Bishop. As a student I knew and understood that the scale, proximity and, I suppose, the harmonies of that city would make it a wonderful place for a festival. It had a compactness about it that created the ideal climate for a festival city.

When I first came to live in Melbourne it took me a while to recognise that one of Melbourne's great strengths was the arts. It took me a while to realise that in Melbourne, as in provincial cities and rural Victoria, the arts are an enormous force.

The opposition agrees with the juxtaposition of the arts and tourism in the machinery of government and government administration. The opposition believes there are enormous bonuses for the arts and for the state as a whole in making the most of our strength in the arts. Not only is cultural tourism appropriate for the provincial cities and beyond, but there is probably also a good argument for taking it to the limit and packaging Melbourne as a potential cultural tourism destination.

The opposition believes that the Victorian Arts Centre is the hub of arts activity for the state; it is a source of great activity and excellence. I find every visit to the arts centre most exciting. The Southgate complex, with the concert hall, theatres, display space, exhibition space and gallery is an absolutely wonderful place. It seems to me it is better used each year, and each year the uses for it are more exciting. However, although I describe that area as the hub, I acknowledge that the other great theatres in the city, suburbs and provincial cities have an enormous role to play as they underpin the arts infrastructure. One has only to stand on the steps of Parliament House and look at the Princess Theatre or the Athenaeum, which is now closely linked with the Melbourne International Comedy Festival, or the other great theatres of the city to realise what a marvellous arts infrastructure Melbourne has.

I mentioned the great theatres of Melbourne. However, I think all honourable members would agree great work is also being done in small theatres. For example, a marvellous theatre company called the Institute of Research on the Art of the Actor (IRAA) operates regrettably just outside my electorate. The company produces some of the most exciting work in Australia from a church hall in Lowther Street, Alphington. Leonard Radic, the *Age* drama critic, had this to say about an IRAA production that he saw at the Festival of Vienna — the production was first workshoped and produced in Alphington:

Renato Cuocolo's production of *The Trojan Women* for the his IRAA company had its premiere last year in Melbourne, in the small church hall at Fairfield where the group is based. A visiting Austrian theatre director happened to see the production and recommended it to the Vienna Festival management. An invitation duly followed.

The work is the second in series of works by IRAA using stripped-down classical Greek texts. In Cuocolo's hands, it is not so much the Euripides play as a meditation upon its themes: war, pillage and destruction. The theatre becomes a room of memories, littered with the symbolic remnants of Troy's destruction.

Leonard Radic goes on to talk about that play within the context of an international human rights conference that had been held in Vienna in the preceding week and to make comparisons between the play, *The Trojan Women*, and the tragedy of the women of Bosnia, which was being acted out only a few miles from the Vienna Festival.

I draw the attention of the minister to the work that is being done by IRAA because I believe it is some of the most interesting work being done in Australia. It has a booking again for the next festival in Vienna as well as for the Adelaide Arts Festival. I have some material on that to show the minister later.

The work that goes on in church halls and small theatres can be as exciting as the work that goes on in the hub, which is the arts centre and Southgate, and as exciting as that done in the great commercial theatres in the city.

I should misquote Dr Johnson and say how I feel about Melbourne and the arts: I really think that for a woman to be tired of Melbourne she would have to be tired of life. There is so much now of cultural and artistic life in Melbourne that it is a strength we

should celebrate the whole time. I cannot imagine being bored for a single day in Melbourne.

I am talking about theatre and film alone. If I begin to add music and the way pubs are being used as a trial or rehearsal ground for popular music and bands, I realise how one has to retreat for a rest every now and then.

With one exception, the opposition supports the provisions of the bill, which seek to streamline the arts institutions and where necessary bring them into line with current practice or desirable practice in the foreseeable future. We know that people come to Melbourne for the International Festival of the Arts. Many people come for Writers' Week alone. Last year's Writers' Week festival was wonderful. A dazzling and creative group of speakers were for most of the festival housed at the Malthouse Theatre, which is the best place in Australia for a writers' festival. It is miles better than the tent at the Adelaide festival. Rarely did the writers have to go anywhere else. Several public lectures took place at the Melbourne Town Hall, but for most of the activities the Malthouse Theatre was sufficient — it became the most appropriate venue imaginable!

Another element of our cultural infrastructure that should continually be talked up — I know it is of great interest to you, Mr Deputy President — is country Victoria. Ballarat and Bendigo have great public buildings, and the festival at Castlemaine should also be mentioned. I regret that I have never been to that festival, but almost everybody I know goes regularly and they say it is a jewel. In one capacity or another I have been fortunate enough to visit most of the regional galleries. I believe every venue I have mentioned, and many more, helps local development in the arts, and each is of great general use for touring companies and exhibitions. A good collection at a gallery like the Benalla gallery is a focal point and a spur for the local arts community. It is good for local schools and for arts educators, and a wonderful place for visiting exhibitions. There is always room for receptions and other arts events.

One can never say too much about the facilities in provincial and rural Victoria. Some of them are very old, they relate back to the goldrush days, but others were built during the time of Sir Henry Bolte or Sir Rupert Hamer. From time to time people say that such buildings are white elephants, but nothing could be further from the truth: they have enormous impact in their own communities from an educational and cultural standpoint. That sort of infrastructure takes advantage of programs that can

## ARTS INSTITUTIONS (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

793

be designed and created for cultural tourism, be it from interstate or overseas, and of such things as the possible massive spin-off from the 2000 Olympic Games.

Every member of this place would hope that Victoria and Melbourne will get a spin-off from the Olympics. If there is to be a spin-off, surely it will be a cultural one. Whether it will be a massive cultural spin-off, no-one knows. I imagine plans are still in the embryonic stage, because these things take some time to develop. There will be strong bipartisan support for a cultural Olympics or for some way in which the exciting events in Sydney can have a spin-off in Melbourne. Melbourne's great strength is its culture. There is great artistic talent in this state.

Without wishing to pre-empt an argument we may have to have later this sessional period, I emphasise that colleges and universities are eminently rich as training grounds or rehearsal areas for young talent, be they writers, actors, directors or musicians. In addition to the universities and colleges there are the cafes, particularly around Brunswick Street and perhaps Prahran and St Kilda. The facilities to the north of the Yarra River, with which I am familiar, are a wonderful training ground for young artists, especially stand-up comedians. Many young comedians have had their first break at the Last Laugh or at one of the cafes in Brunswick Street, and they go on to become the backbone of the Comedy Festival. We see more of them during the Fringe Festival, which is becoming an important part of the international festival. More and more of our pubs are becoming a training ground for young musicians.

While that may be a general overview, the bill is related to the arts institutions, which the opposition respects and about which it is enthusiastic. The bill is about a link with the State Film Centre of Victoria with the needs of the film industry. It recognises that the film industry operates in a changing and technologically advanced environment and seeks to provide for it. I accept the minister's reference to the redefinition of film itself as a moving image and recognise, so far as the layperson can, the extremely rapid and complex technological changes in the way we store, collect and transmit information. In the near future we will see a blurring of the traditional boundaries between media and information, entertainment, education and communication.

My colleagues may say that that blurring already exists. It offers enormous possibilities but also significant challenges, and it is difficult for most of

us to understand the potential of this technological change and to see the pitfalls. It is, however, important that the State Film Centre of Victoria be positioned to take part in changing partnerships and changing times.

Clause 56 recognises the types of services that the film centre must offer in the 1990s. Recently the centre has been working with Telecom Australia in the areas of electronic and digital image sharing. The film centre's library is recognised as being vast. Access to those records is contemplated in clause 57(1), which should provide the centre with the flexibility it needs.

Clause 57(2) also contains stringent financial controls in relation to the State Film Centre entering corporate arrangements and it provides for the usual application of corporations law to any such operations.

Obviously opposition members are anxious to see the work of the State Film Centre and Film Victoria enhanced; we are anxious to do what we can to boost our local film industry. We are extremely anxious not to lose parts of our local film industry to New South Wales and the Gold Coast. When I see extremely good documentaries on television or good short films I am constantly amazed at the involvement of Film Victoria in many of them. As a matter of course members of Parliament do not get to know about these ventures, but it is so pleasing and gratifying to see that Film Victoria has entered partnerships or supported or funded arrangements for some of the best original work that has been made for cinema and television in this decade.

There is only one part of this legislation about which I have some doubts. I have been alerted to the de-accessioning provisions by Ann Galbally, the Associate Professor of the Department of Fine Arts at the University of Melbourne. I shall read what she has written so that the minister can understand her concerns. When I received the material from her, it seemed to me that she had a strong point.

**The PRESIDENT** — Order! Does it relate to that particular clause in the bill?

**Hon. C. J. HOGG** — Yes, it certainly does. I will explain it in just a moment. She quotes in her material:

The provision under the Arts Institutions (Amendment) Bill, section 10 'Dispersal of Works of Art' proposes to do away with the existing

check-and-balance of the 10 year waiting period between the decision to de-accession a work of art and the implementation of that decision. (see existing National Gallery of Victoria Act 1966, Division 2, Section 14(2).

I and my colleagues strongly object to the throwing away of this important check and balance in relation to the state's artistic heritage. Paintings and sculptures bought, bequeathed or gifted at various times over the 150 years of the National Gallery of Victoria's existence themselves reveal the state's history. They are witness to the art preferred at different times and for different reasons.

To be able to buy and sell this heritage at the whim of any particular director and set of trustees — which is what this provision will permit — is highly dangerous. Not only can it mean the loss of whole sections of the collection which may fall out of favour, as happened in the 1940s, (see accompanying material) but it brings the public institution into disrepute as some sort of buying and selling agency and acts as a strong deterrent to any potential donor.

We can see no good reason for tampering with the existing act and its reasonable provisions in the interests of the state's heritage.

That is signed by Ann Galbally, and is an objection which should be taken seriously. That view is from somebody in a position to make an informed objection.

In that letter Ann Galbally mentioned some enclosed material. I will refer to several points from the enclosed material, which is an article called, 'Sculpture and casts', by Ann Galbally. It deals with sculpture, cast sculpture, freezes and ornaments that were acquired by the National Gallery of Victoria and disposed of. I will quote from three places in that article. The article begins:

The National Gallery of Victoria in 1992 contains scarcely a handful of examples of 19th-century sculpture. Yet a visitor to its galleries in the 1860s, 1870s or 1880s would have been able to enjoy examples of work by some of the best-known names in the 19th-century sculpture as well as plaster casts of well-known Greek and Roman statues, and marble and plaster busts of famous men in history and contemporary colonial dignitaries.

Sculpture was highly regarded in the 19th century because it had been viewed that way by the ancients and therefore had the stamp of classical authority. At

the same time it had a perceived civic role in the 19th-century city and finally, through the refinements of mechanical pointing and reducing, the 19th-century home could enjoy reproductive examples of great sculptural masterpieces as part of the domestic decor.

She goes on to say:

Changing taste, however, led to the fall from favour of the classical statuary in the early 20th century. Large portions of Barry's proud collection were dispersed to the Working Man's College (RMIT) and the Exhibition Buildings. Most of what remained was sold by order of the Trustees of the National Gallery of Victoria at three infamous public auctions in the early 1940s.

The article continues:

A similar fate befell the 19th-century sculpture when Directors J.S. Macdonald (1936-1941) and Sir Daryl Lindsay (1942-1956) procured orders in council to sell off 'surplus' works from the collection. The first auction on 7 October 1941 disposed of 25 pictures, plaster casts and frames. Among the 'surplus' was one of the earliest paintings to come into the collection (1864), Charles Baxter's *Rosebud of England* along with other Victorian paintings and copies, 14 full figure plaster casts, 3 small anatomical figures and 20 heads.

Ann Galbally then speaks about another sale that was made under Director Lindsay. To conclude her article she says:

The third auction, on 17 November 1943, disposed of 750 works from the decorative arts collection. Between them, Directors Macdonald and Lindsay and their trustees managed to denude the National Gallery of Victoria of a proportion of its Victorian paintings, a large section of its contemporary and reproductive decorative arts collection and virtually the entire sculpture collection, leaving only a token representation of the art form that had meant so much to the gallery's founding generations.

As I have said, they are the real concerns of someone in a position to be able to make those judgements. Although I would certainly hesitate to talk about the whim of a director or a set of trustees, I ask the minister to explain how he sees the development of the extremely strict guidelines to ensure that the composition of the state collection is not harmed in any way, to quote from the second-reading speech.

I understand that there may be times when staff of a gallery at risk of becoming over-crowded feel that they must do something about the collection and

## ARTS INSTITUTIONS (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

795

that some pieces are second rate and are able to be de-accessioned and sold, but anyone would worry if he or she felt that the spirit of a collection that had taken so long to amass would in any way be destroyed.

Professor Galbally makes an interesting case about what happened in the 1940s. Admittedly they were war years and at that time quite strange things happened. Perhaps people wondered if there would be a 1944 or a 1945 in which to make acquisitions, but it is a point worth pondering and responding to.

I ask the minister to respond at the end of the second-reading debate or some other time to explain the sorts of guidelines he sees the gallery developing to govern de-accessioning. I would like him to address that question so that Professor Galbally's concerns can be allayed. There may be an opportunity for Professor Galbally and her colleagues from the fine arts to assist in the development of guidelines which may help allay the anxiety of all concerned.

The opposition will not oppose the clause nor insist that the bill be committed. Mr President, I appreciate that we are spending some time debating the bill. But this is the only part of the bill with which we have some disagreement and about which we have reservations. However, the issue should be discussed. I ask the minister to respond to the matters I have raised.

The opposition understands the basic thrust of the provisions relating to the Public Record Office, as outlined in clause 81, which is to bring the Victorian closure provisions into line with commonwealth legislation. As I understand it, the effect of clauses 79 and 81 will mean that after 25 years, or as soon as is practicable, a department will transfer a public record to the Public Record Office. The office will then hold on to the record for not more than 30 years from the date of the transfer. This allows the minister to declare specified records to be closed for a period not exceeding 30 years rather than the present renewable 5 years. The opposition supports the provisions and believes they will assist the cabinet office and provide greater confidentiality. I am advised that it will bring Victorian legislation into line with commonwealth legislation.

The opposition supports the legislation, with the reservations I have mentioned. Mr Ives and Mrs McLean will participate in the debate and will make their own particular comments on the provisions. I hope the bill strengthens the arts

institution and the arts in the ways it seeks to. As I have said, the opposition is very enthusiastic about the arts. We believe much of Melbourne's strength, beauty and future lies in the arts — in the infrastructure and in arts activities in general. The economic spin-offs are immense and can often persuade our more recalcitrant colleagues to vote in favour of and, sometimes, provide greater outlays for the arts, which is something the opposition supports. With the reservations that I have mentioned about de-accessioning, the opposition supports the bill.

**The PRESIDENT** — Order! I allowed Mrs Hogg considerable latitude in her extensive quotation of Professor Galbally on the basis that the house was being given access to expert information that would be beneficial to the debate. Normally the rules relating to debate would have applied, but I gave her that latitude for the reasons I have outlined.

**Hon. R. S. IVES** (Eumemmerring) — In debating this arts measure I shall attempt to be elevated, inspirational, bipartisan and non-political. However, I shall go against the spirit of the rest of my speech by making some initial remarks about the situation which led to the State Film Centre's having its funds substantially reduced by the former Labor government. I am glad that the processes used by the then government resulted in the film centre becoming stronger and more vital than it otherwise would have been. Nevertheless we should recognise the extreme pain and dislocation suffered by this fine institution.

I shall put on the record the reasons why it occurred. Although at the time it was deplorable it was something that happened in the course of events. It is worth mentioning that a grants commission report has shown that in 1989-90 Victorian government spending was 14.4 per cent higher than the spending of other states on similar services, whereas its revenue raising was only 1.2 per cent above the national average. In 1991-92, two years later, grants commission figures show that spending had been cut by 9.9 per cent compared with other states while revenue raising had increased by 5.9 per cent above the national average, so the gap was cut by two-thirds. During that period no other state did more to put its house in order.

The reason for the substantial effort was that the state was swamped by the intensity of the recession, which necessitated painful action. That resulted in the 1991-92 budget for the State Film Centre being reduced by 59 per cent. At the time the action was

painful. It certainly affected the agency and threatened its viability.

Naturally there was considerable consternation, but an effective process of review was put in place. A 10-person committee was formed and comprised representatives from the then Ministry of Education and Training, the Ministry of the Arts, the Council of the State Film Centre, Film Victoria and the staff of the State Film Centre. The committee met over eight days, receiving submissions and hearing evidence; and it consulted interested parties over three days. The committee examined the submissions of those who were affected by the proposed cuts, considered the priorities, looked at the options and by and large produced a report which made 25 recommendations on matters ranging from A to Y.

The recommendations had a familiar ring to them. They subscribed to many of the principles to which the Minister for Housing and Mr Atkinson, as well as other government spokespeople, constantly refer to the point of tedious repetition.

Those comments apply just as well to the principles enunciated in David Osborne and Ted Gaebler's book *Reinventing Government*. Rumour has it that the Premier gave his cabinet colleagues copies of the book for Christmas! Some of the chapter headings of the book are: 'Catalytic Government: Steering Rather Than Rowing', 'Community-Owned Government: Empowering Rather Than Serving', 'Competitive Government: Injecting Competition Into Service Delivery', 'Mission-Driven Government: Transforming Rule-Driven Organisations', 'Results-Oriented Government: Funding Outcomes, Not Inputs' — a popular comment among many commentators, 'Customer-Driven Government: Meeting the Needs of the Customer, not the Bureaucracy', 'Enterprising Government: Earning Rather Than Spending', 'Anticipatory Government: Prevention Rather Than Cure', and finally, 'Decentralised Government: From Hierarchy to Participation and Teamwork'. Contrary to the propaganda one hears, the Labor Party made significant reductions in expenditure in its final two years in government — far more than other state governments — and the principles it employed are of the type one hears a great deal about these days from the other side of the house.

We say that persons who have been affected by cuts should have a hand in saying what sort of outcome should result. If memory serves me right —

**Hon. Haddon Storey** — Which cuts in the arts area are you talking about?

**Hon. R. S. IVES** — I am speaking generally.

**Sitting suspended 6.31 p.m. until 8.02 p.m.**

**Hon. R. S. IVES** — Before the suspension of the sitting I was saying that the former government knew something about the necessity of reducing expenditure as in the case of the 59 per cent cut in the 1991-92 budget for the State Film Centre. However, the process adopted for the centre was reasonable and, in retrospect, accords with many principles on which the government has lectured us, such as transforming rule-driven organisations; funding outcomes and not inputs; meeting the needs of the customer; and earning rather than spending. However, the process involved a great deal of participation and consultation that allowed the State Film Centre to at least continue as an effective organisation. I made the point in passing that across the general field of government endeavour, participation and consultation are not principles that are observed by the government.

For a brief moment I shall stretch the patience of Mr President and say that one is reminded of Machiavelli's *The Prince* or Sun Tzu's *The Art of War*, when statements such as, 'One should plan with secrecy, stealth and then act with great energy', are made by Ron Walker.

I congratulate the State Film Centre for the energy, commitment, intelligence and vision with which it has pursued its mission. The press release by the Minister for Industry and Employment, Mr Gude, on 10 March welcomed Telecom's announcement that, in collaboration with the State Film Centre, Melbourne would be a testing ground for new asynchronous, digital, subscriber line technology, which would allow movies, sports, news and educational programs to be delivered on existing telephone lines to Victorian homes. This indicates the growing national reputation of the film centre. Other factors that indicated its growing national role are the plans for the Museum of the Moving Image, which will be similar to such museums in London, New York and Germany. If we wish to remain in the national forefront of this endeavour Victoria must move quickly. I also refer to the national importance of the State Film Centre's liaison with the national film and sound museum.

The 'moving image' was certainly the most unique, innovative, powerful, persuasive and widespread

## ARTS INSTITUTIONS (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

797

art form in the 20th century. In the 21st century the State Film Centre will be a focus of the intersection of technology, communications, entertainment education and information. To achieve the status and distinction which the centre is capable of and to which it is heading, more resources will be needed. One way of achieving this is with more flexibility to initiate and enter into partnerships, limited companies, corporations, joint ventures and associations with other partners or sponsors. I understand the bill makes this possible. The opposition supports this initiative.

In addition the bill also deals with major arts institutions that are jewels in the crown or the battleships of the fleet such as the National Gallery of Victoria, the Victorian Arts Centre, the Museum of Victoria, Film Victoria and the Geelong Performing Arts Centre Trust, which is the only regional reference.

The bill essentially reinforces the notion that institutions are responsible and accountable to the minister of the day but it provides that their management will be less bureaucratic, more flexible and more uniform.

Membership of the boards is limited to nine consecutive years. The exceptions are spelt out in the bill. It makes possible the payment of fees to board members. It exempts the board from the office of profit under the Crown provisions. I ask the minister: is an exemption of board members from the profit-under-the-Crown provisions a worthwhile procedure? I have much difficulty believing that the addition of more parliamentarians to the boards of major institutions will endow them with additional intelligence, competence and sensitivity. I ask the minister to explain why it is desirable to have office-of-profit provisions governing the boards of major institutions removed? The bill makes it easier for boards to avail themselves of expertise and to enter into contracts of employment and updates some of their employment procedures. The bill allows the boards to make a range of by-laws to govern and administer the institutions. This is unexceptional and the opposition does not oppose it.

I shall briefly describe my apprehension about the emerging limitations in the government's regional arts policy by commenting on what the bill does not refer to, namely a regional arts policy. I seek an assurance from the minister that this is not an area of overall strategic policy that will be neglected by the government as exemplified by the bill. My concern and disquiet is best illustrated by briefly describing

emerging developments within regions included in and near Eumemmerring Province. Firstly, OSEROC — which is not the name of a rock band but the Outer South Eastern Regional Organisations of Councils — comprising the municipalities of Berwick, Cranbourne, Dandenong, Pakenham and Springvale. An arts project initiated by a \$35 000 grant provided by the former Labor government evolved into a partnership project, which, combined with the engagement of the management consultants, KPMG Peat Marwick, produced a report. The issues addressed in the report are: local and regional needs for arts and cultural facilities; options for facility location; opportunity for better usage of existing facilities; strategies for implementation and usage; linkages to tourism, education and industry; funding options other than state government funding; and economic and social issues. Mr President, both you and the minister will agree that the issues are indeed wide ranging.

**The PRESIDENT** — Order! They are wide-ranging issues, and they have nothing to do with the bill. I remind Mr Ives that the purpose of the bill is to provide for revised management and membership of the major arts institutions in Victoria and I refer to my rulings on similar matters: I will allow passing reference to issues that are vaguely related to the bill, but they should not be the major part of any speech.

**Hon. R. S. IVES** — While certainly observing your ruling, Mr President, I remind you that the bill deals with the jewels in the crown, the major arts institutions in this state. The Minister for the Arts will be interested in being told that I am hearing a considerable amount of criticism in my electorate about the government's regional arts policy. The criticism may be ill founded or ill informed; it may be misjudged; it may be wrong. However, the Arts Institutions (Amendment) Bill contains provisions relating to the concerns of my constituents — that is, that the government is neglecting or withdrawing from the area of regional arts policy.

Members of this house do not, by and large, abuse the time available for debate. Debates are conducted with some expedition when one compares them with those conducted in the other place. Heaven knows what they talk about! Heaven knows how honourable members in the other place spend their time! I raise with the minister some concerns or complaints, however misguided. Even if they are wrong, they are illustrative of some of the concerns expressed in my electorate. I invite the minister to

## ARTS INSTITUTIONS (AMENDMENT) BILL

798

COUNCIL

Tuesday, 24 May 1994

give an assurance to my constituents that the bill, marvellous as it is, does not reflect a withdrawal from regional arts policy.

**Hon. Haddon Storey** — What are the examples?

**Hon. R. S. IVES** — I should very much like to give the examples. I was about to do so when you, Mr President, quite rightly said: what has this to do with the bill? I hope my explanation of the thoughts behind my presentation will assure you that I do not have a desire to waste time. I have an opportunity of providing the minister with the chance to stand up and reassure his arts constituency that the sorts of things people have been saying to me, with the stress and emphasis that they have placed on them, are ill founded. Would you deny me this opportunity, Mr President?

**The PRESIDENT** — Order! Mr Ives may make passing reference.

**Hon. R. S. IVES** — I suppose it comes down to what is meant by 'passing reference'.

**The PRESIDENT** — Order! If Mr Ives presses me, I will draw the line here.

**Hon. R. S. IVES** — Surely it is permitted to give the flavour of what is happening in my electorate?

**The PRESIDENT** — Order! Yes, the flavour.

**Hon. R. S. IVES** — I have referred to one regional group, OSEROC, which has recently issued a major, wide-reaching report. I refer also to one council, Berwick, which hopes to establish a multifunded, multipurpose performing facility in conjunction with the Berwick campus of Casey TAFE and the Berwick campus of Monash University. The minister will agree that the facility represents a vigorous and committed approach to the arts.

I refer to the Upper Yarra and Dandenong Ranges Regional Authority, which includes the shires of Lillydale, Sherbrooke, Healesville and Upper Yarra. The regional grouping is somewhat different from the one previously described. Arts projects are funded differently and the people in the area have different concerns from those to whom I have referred. They are concerned about the lack of performing spaces in the Sherbrooke area. They are pleased with the success of facilities such as the Montrose Community Centre and the Upper Yarra Arts and Entertainment Centre, although the facilities are not luxurious.

Recently the minister and I had a pleasant experience with the Dandenong Ranges Music Council, where the minister delivered on the former Labor government's promise. I thank the government for doing so. The minister will concede, I am sure, that the portable classroom on the Upwey Secondary College grounds has been used to considerable effect by the local community and that it has provided a springboard for good things.

**Hon. Haddon Storey** — Look who had to deliver on the promise!

**Hon. R. S. IVES** — The Upper Yarra Art and Cultural Development Board has been established and a regional arts and economic development seminar has been conducted in the area. I have made passing reference to the flavour of what is happening in the Upper Yarra Valley and Dandenong Ranges area.

The third area of regional grouping to which I refer briefly is the Outer East Municipalities Association (OEMA), comprised of a number of councils: Croydon, Healesville, Knox, Lillydale, Ringwood, Sherbrooke and Upper Yarra. In the case of OEMA, funding for a regional arts survey was arranged through the Integrated Local Area Planning Scheme, which is funded by the commonwealth government. Its members began an investigation into arts facilities but have since found themselves in consultation with community groups, examining questions such as the nature of regionalism and the relationship of arts to the community and the regional economy. Recently they completed a draft of a sound report that will soon be delivered for comment. It deals with a range of issues that are similar to the matters raised in the OSEROC report.

I have explained to you, Mr President, and the minister how my contribution relates to the bill. I have referred to a number of organisations in different regions that use a variety of funding sources and are spearheaded by local government. Their members have a high level of commitment, enthusiasm, and energy and are excited to be examining the nature of arts in the region and their relationship to society, to culture and to the economy.

I have mentioned criticisms of the government's arts policy and invite the minister to answer the concerns expressed by my constituents. It is all very well to talk about our major arts institutions, which I have described as the jewels in the crown or the battleships of the fleet, but the minister will be

# ARTS INSTITUTIONS (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

799

aware that yesterday Mr George Fairfax and the director of the McClelland Gallery were interviewed on the Randal Macdonald radio program. The McClelland Gallery is a regional gallery in my area. It is seeking to expand its regional support. The view was expressed that there was no grid, no rating, no continuing system, no classification system and no overall plan for funding regional arts activities.

Finally, I refer to a meeting over the weekend of the Association of Local Arts Development, which comprises councillors, council arts officers, arts developers and artists. I understand — the minister will be aware that whenever a politician begins a speech with the words 'I understand' it is an indication that the politician is not sure of the ground but concerned that it might be weak — and if I am wrong, doubtless the minister will correct me. However, the discontent arose from the fact that a formal response —

**The SPEAKER** — Order! I have given the honourable member considerable latitude. I have re-read the bill and there is not one scintilla of a relationship between it and what the honourable member is saying other than the word 'arts'. I believe the minister has got the flavour of the honourable member's point and he should address the issues in the bill.

**Hon. R. S. IVES** — Mr President, as you interrupted me in mid-sentence — quite rightly — I ask to be allowed to finish the sentence.

**The SPEAKER** — Order! Yes.

**Hon. R. S. IVES** — I believe that a formal response from the minister on regional arts policy had gone astray; that a verbal report was delivered which indicated there would be no regional policy, only a state policy, and consequently there were fears that a number of projects and programs previously put in place such as the art chart would be discontinued or neglected.

**Hon. Haddon Storey** — Whose report, letter or document is it?

**Hon. B. N. Atkinson** — Don't encourage him!

**Hon. R. S. IVES** — I mentioned my unsureness; that it may not be an accurate report but that is sweeping through the arts community at the moment, and this is the minister's chance to deny it.

In conclusion, opposition members are pleased to see the changes in the management of Victoria's major arts institutions. We believe the measures will make them more responsible, flexible, uniform and less bureaucratic. Opposition members welcome the changes made to the charter of the State Film Centre; we believe it will allow it to grow, develop and become an institution of considerable national importance. However, the opposition seek answers to two questions: firstly, why do the office-of-profit provisions under the Crown now no longer apply to membership of the boards of our major institutions; and, secondly, does the bill indicate a growing neglect by the government in the important area of regional arts policy?

**Hon. JEAN McLEAN** (Melbourne West) — Mrs Hogg spoke about the wonderful arts institutions that we have in Victoria, and I agree with her. Victoria has always been the cultural capital of Australia. Mr Ives also spoke widely about the arts, so I will confine my remarks to the State Film Centre.

In explaining the purpose of the bill the second-reading speech states that it is to facilitate greater operational efficiencies to the State Film Centre of Victoria and to enable it to work more effectively within the film and communication industry, and I applaud those sentiments. I have been a supporter of the centre for many years because I believe the centre is one of the most important arts institutions in Victoria. It has a library containing a huge number of valuable films and documentaries and holds much of our history. It has also been an outlet for important foreign films and documentaries that otherwise would have had no opportunity to be shown in Victoria because they could not obtain commercial distribution, and in this way it has played an important role for many multicultural citizens of the state.

The centre also plays a vital role in our film industry because it is the showcase for short films and videos made by student filmmakers. The film and television school at Swinburne University of Technology is known nationally and internationally as the best film school in Australia. A past graduate of that school, Gillian Armstrong, whose credits include *My Brilliant Career* and *The Last Days of Chez Nous* —

**Hon. B. N. Atkinson** — It wasn't the story of Mr Ives's life!

**Hon. JEAN McLEAN** — Gillian Armstrong had her student films shown at the centre along with all the other students and graduates of Swinburne.

Over recent years her films have been shown at the Cannes film festival along with the work of many other Victorian and Australian filmmakers. The Cannes festival is the most important film festival for the sale of films internationally.

Our films therefore play an important role in tourism as well as in the cultural scene, and Film Victoria is significant in helping to promote our talent. Filmmaking, as we are all aware, is an expensive art form, and I hope Film Victoria will continue to be funded — and better funded — over the next few years.

**Hon. Haddon Storey** interjected.

**Hon. JEAN McLEAN** — So be it; I am just looking at the future, Mr Minister.

The short film and video is the major outlet for the talent of our young directors, cinematographers, animators, actors, scriptwriters and so on. It is an important art form in its own right. Short films often tell the story better and more succinctly than some of their longer brothers and sisters.

**Hon. B. N. Atkinson** — So do short speeches, Mr Ives!

**Hon. JEAN McLEAN** — Most honourable members would remember the days when short films used to accompany feature films in cinemas. This is no longer the case. When we ask the major film distributors to show our excellent short films they say it is not commercially viable because they now show the feature film over and over and make more money from it. There are a few exceptions to this practice: notably at the Longford and Valhalla cinemas, the State Film Centre and a few other independent theatres.

The second-reading speech described the increasing diversity of media technology and suggested that the general word 'film' itself is being redefined. I acknowledge that there is an increasing diversity in media technology at the State Film Centre, and that is inevitable. I feel a certain amount of alarm at the suggestion of using the term 'moving image' instead of 'film', in the same way that I feel alarm at the proposition that computer screens should take the place of books. 'Information highways' is the latest buzz word, and it means goodness knows what! The more articles one reads about this matter in the papers and computer books, the more puzzling and ill-defined it becomes. I do not suggest that new technology does not open up new horizons, but I

believe we should be wary of accepting the idea because it is new and it must replace the old.

Black and white photography for cinema and stills is back in vogue because people have realised the special quality that black and white brings to the screen and photographs. Many people realise that colourisation is a ghastly process, and a lot of work is going on to ensure that the original black and white versions of many films that have been colourised are retained.

I hope that we will not be forced to accept virtual reality experiences as a replacement for the joy of going to the cinema and seeing films.

**Hon. D. M. EVANS** (North Eastern) — I recognise how important the arts are for Victoria, not only for their cultural significance but also for their tourism potential. I also recognise the importance of the legislation before the house, the wide-ranging issues with which it deals and, in particular, the fact that under it the minister is given wide responsibility. I trust that in carrying out that responsibility the minister will not forget the important part played in the past 200 years of Australian history of what might be said to be art from the country, issues in the rural areas of Australia and the fact that more than in any other areas the depiction of the country is the genuine Australia — it is the absolute essence of the Australian character.

For example, I understand virtually the first feature film ever made was a film on the life of Ned Kelly, surely a country hero. Our folk ballads, the ones which depict the most unique Australian experiences, are those of Banjo Patterson, Henry Lawson and perhaps Dorothea Mackellar, part of whose poem *My Country* states:

I love a sunburnt country,  
A land of sweeping plains,  
Of ragged mountain ranges,  
Of droughts and flooding rains ...

That poem has recently been set to magnificent music. I hope that the minister in carrying out his renewed responsibilities under the bill does not forget those matters.

The legislation changes slightly the charter of the National Gallery of Victoria, with responsibility resting with the minister to ensure that it carries out its functions and responsibilities properly. The national gallery — selections of paintings from its

collection are constantly on display in Queen's Hall — has paintings by Australia's most famous artists, such as Tom Roberts, Hans Heysen, and Frederick McCubbin. Almost all of those paintings depict scenes from country area. As Mrs Hogg said earlier, we must not forget art in the country.

We must not forget the art galleries that are scattered throughout country Victoria, which give encouragement to artists in their formative years and encourage them to paint the magnificent works that will be eventually part of our arts collection held by the national gallery in Melbourne. The Benalla art gallery has one of the best collections in Victoria of Laurie Ledger paintings. There is an enthusiastically run art gallery at Shepparton and, if I may put in a plug for my own local region, the Bright art gallery constantly displays 400 to 600 paintings, giving encouragement to artists of this state, some of whom will produce masterpieces that will form part of the state's collection.

People from the country also provided the essence of the real Australia in the ballads that form part of Australian history that is often depicted in films that are uniquely Australian. Earlier I referred to a film made about Ned Kelly. In the 1930s Australia had a booming film industry that was one of the best in the world. The problem was that in Australia we did not have a sufficiently large audience or sufficient scope to continue to produce those films in competition with the immensely wealthy people in Hollywood. Our industry was submerged because our audience was not wide enough, not because the quality of the films was not high enough. Our film industry was pushed under by the culture of films from Hollywood.

Let that be a lesson to the minister in directing the manner in which the State Film Centre of Victoria operates. Let it also be a clear message from this Parliament. I know the minister understands that, and also understands that the people of Victoria know what we are debating tonight. We in this country understand and appreciate all the good things in art.

When the revival of our film industry began, perhaps 10 years ago, Film Victoria, which is dealt with in the bill, was involved in the production of the magnificent movie *The Man from Snowy River*, in which the Mr Stoney was an extra.

An honourable member interjected.

Hon. D. M. EVANS — Mel Gibson is a constituent of mine. Mr Stoney was one of those people who helped recreate the true Australia in that film. Let us also not forget that Film Victoria was very much involved in the production of that imaginative film *The Silver Brumby*, adapted from a book written by the wife of a former member of this place and a former Attorney-General, the late Thomas Walter Mitchell, which again depicts the very real Australia and shows the talent, culture, interest and uniqueness of the Australian wild bush and the opportunities that are created there.

Let us not forget those opportunities by remembering that the best of our culture comes out of the country areas of Victoria and Australia. We can gather it together here in the city and put it on display in the cultural centres of Australia but let us never forget that the unique imagination and initiative come from our country areas. If we understand where that initiative and inspiration come from we can get the very best from this legislation.

I said I wanted to put in a plug for my people from the country areas of the state for the magnificent contribution they have made in past times and are continuing to make, and which I trust under this new legislation they will continue to make.

I notice that the Public Records Act is also amended by the bill. As Mrs Mclean will well remember, the Public Records Office itself was the subject of recommendations of the former Legal and Constitutional Committee in 1989 as part of the committee's inquiry into the Freedom of Information Act. I had the pleasure of chairing the committee at that time.

It was of great importance to that committee, and I believe to the people of the state of Victoria, to know that the historical records on which so much of our knowledge of our history depends and which increasingly the citizens of this state are inclined to draw on for their own purposes and in order to understand the building heritage of the nation, are properly preserved and looked after, and are available at the shortest possible notice for those who wish to undertake historical research. An important part of the legislation is to bring a proper and better organisation and operation to the Public Records Office. I have much pleasure in supporting the legislation.

Motion agreed to.

## ARTS INSTITUTIONS (AMENDMENT) BILL

802

COUNCIL

Tuesday, 24 May 1994

**Read second time.**

*Third reading*

**Hon. HADDON STOREY** (Minister for the Arts) — By leave, I move:

That this bill be now read a third time.

I thank all honourable members who have spoken for their support of the bill. At times the debate became quite impassioned and one wondered whether it was being fully supported. However, I have concluded that each of the speakers did support the bill. As one would expect in anything to do with the arts, it aroused some passionate feelings and enabled members to canvass a great number of issues.

I know that I should not wax at large on the issues that were raised, particularly as you, Mr President, found it necessary to remind some members of the scope of the bill, but I think that what emerged from all the speeches was that there is a genuine and passionate belief in the role of the arts in our community; that it is seen to be an important part of the life of everyone in Victoria. It has an intrinsic value as well as an economic value, something that can help Victoria to encourage people to come to this state and to participate in the artistic activities and share in the appreciation of the cultural assets that we have.

It is pleasing that there is strong bipartisan support for the measures in the bill. Mrs Hogg referred to the role of the Institute of Research on the Art of the Actor (IRAA) and gave me some reviews to examine. Clearly exciting work is being done by the \$5 Company, which is also referred to in one of the reviews. That is indicative of the small companies that do creative, original and stimulating work. What is mainstream today was probably innovative and experimental 20 years ago. The cultural life and activity of the whole community will be enriched by the work of such small companies. They are supported by the government through Arts Victoria, and that will continue to be the case.

Mrs Hogg specifically raised the issue of the provision that allows for the deaccessioning of certain assets or holdings of the National Gallery of Victoria. I can understand her concern and the concern expressed by Dr Galbally in the letter Mrs Hogg read. I assure the house that the provision is inserted with full recognition of the importance of our collection and of retaining all of that which

should be retained. The collection is in the custody of the council of trustees of the gallery, a group of notable people who have an appreciation and understanding of the need to maintain the collection. I am certain no recommendation will come from them except where they believe the work in question is not worth maintaining in the collection. There must be copies of works that are regarded widely, and have been for many years, as having little or no value to our collection.

The collection involves more than paintings, it includes furniture and other objects. I understand some of those objects are in total disrepair and there is little point in keeping them. We must ensure that proper guidelines are put in place. Proposed new section 14(2) states:

The Governor in Council must not approve the sale, exchange or disposal of a work of art in the State collection unless satisfied that the Council has resolved that retention of that work is unnecessary and inappropriate to the activities of the Council.

It has to be both unnecessary and inappropriate. I take note of what Mrs Hogg said, and I shall ask the council, whose responsibility it is to have the guidelines drawn up, to take note of those points. I will ask its members to further consult with people such as Dr Galbally, whose views, expressed through the council or through officers of Arts Victoria, will provide an input in drawing up the guidelines. I assure honourable members that it will be only after thorough examination and soul-searching that assets will be disposed of as a result of that provision.

A similar provision with less onerous requirements relates to Museum Victoria. It is not a new approach. The current legislation requires an interval of 10 years before work can be disposed of. With the greatest caution in the world, that to me seems an excessive time for going through the process of determining to deaccess work that should not be kept. I give Mrs Hogg and opposition members an assurance that the guidelines will be drawn up in an appropriate manner.

Mr Ives waxed eloquent, as he always does, on a range of issues. I almost regretted that the forms of the house required that he not give more detail on the matters he wanted to raise with me. Perhaps if he had been able to expand at greater length he may have confirmed in my mind that there is absolutely no substance in what he was saying. He almost acknowledged that that could well be the case. I am

## ARTS INSTITUTIONS (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

803

sure he will find other ways of raising those issues with me.

The government is intent upon assisting regional groupings to foster the arts. Mr Ives gave an example of a promise the former government gave and the current government implemented. The government is determined to ensure that the arts flourish throughout our community. Mr Ives must realise that it is not possible for any government to respond financially to every request. One has to recognise that there are limits on what can be done. So far as possible the government will seek to develop regional groups that can expand on cultural activities and encourage people to become involved. I give that assurance.

Mr Ives also asked why it was that the office-of-profit provisions were being applied in some cases in this bill. A number of arts acts already provide that being a member of a council or a governing body of an institution does not involve an office of profit under the crown. That provision is being introduced for other arts institutions because there is provision for the payment of sitting fees for members of the councils of those bodies and there were no provisions saying that that does not constitute an office of profit, in which case there could be potential for someone inadvertently to offend against the provisions of the constitution and therefore lose his or her seat.

In her contribution to the debate Mrs McLean displayed an arts-conservative approach. She is uncomfortable with the move away from films to moving images and would prefer to see black-and-white films in black and white rather than their being colourised. She is uncomfortable with the idea that in future there will be an information highway — I think it is called the information superhighway.

**Hon. Jean McLean** — What is it?

**Hon. HADDON STOREY** — I will try to describe it. I point out that during his contribution, Mr Ives commended Film Victoria for going down this track. I understand that modern technology will enable information from all sorts of sources to be accessed by almost anyone through his or her computer or television with the appropriate black box on it.

In the case of the State Film Centre it will mean that should the projects now being tested come to fruition, if people want to view films or videos held by the centre, instead of contacting the centre and

having the material sent out to them, they will simply be able to call it up on their screens via their computers or televisions and it will be transmitted to the screens. Furthermore, it will be transmitted there and then.

Popular films will be able to be accessed by a dozen people at the same time because the technology will provide access to a data base held by the State Film Centre where the images on the films or videos will be transferred to digital form on that data base and be accessible through the technology when desired.

**Hon. Jean McLean** — Do we get it for nothing?

**Hon. HADDON STOREY** — To the extent that one gets it now, one will continue to get it for nothing. However, it will mean people will have to subscribe to the State Film Centre under the arrangement put in place by the previous government. In time, one will be able to access information through that channel, which is an extremely exciting prospect. If it comes about, it will make all types of information much more accessible than they currently are. That is what this modern technology is about.

I do not know whether I will live to see all this — I hope I do — however, I do not think it should be pushed to one side simply because people prefer to sit in cinemas and view films on the screen.

**Hon. Jean McLean** interjected.

**Hon. HADDON STOREY** — Nobody is talking about allowing one to wipe out the other. If one does wipe out the other, it will be because that is what people demand.

It is interesting to reflect on the fact that it was predicted that television would be the death of the film industry and cinemas. That is not so. In fact, cinemas are making a come back. I am delighted about that because I prefer to sit in a cinema to see a film rather than to see it on video. However, that is the explanation of moving images. In due course they will not be films, they will not be videos, they will be in some digital form.

Mr Evans referred to the contribution of country Victoria to arts and culture in Australia. I can only agree with him; it has done that and will continue to. It is an extremely important part of the rich tapestry that constitutes Victoria. This government will continue to support country artistic activities and

## MAGISTRATES' COURT (AMENDMENT) BILL

804

COUNCIL

Tuesday, 24 May 1994

cultural assets as much as it can. I thank honourable members for supporting this bill.

**Motion agreed to.**

**Read third time.**

**Passed remaining stages.**

### MAGISTRATES' COURT (AMENDMENT) BILL

#### *Second reading*

**Debate resumed from 19 May; motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).**

**Hon. B. T. PULLEN (Melbourne)** — The Magistrates Courts are extremely important. According to the second-reading speech, 300 000 charges and 100 000 civil complaints are dealt with annually. For most Victorians the magistrates Court will be their most likely encounter with any jurisdiction.

This bill seeks to do four things. Firstly, it seeks to improve the process of criminal matters in the courts to reduce time and therefore costs without detriment to fair justice. A number of measures are proposed for that area.

Secondly, it provides for changes to the collection of fines; it allows for people's goods to be seized in certain cases as an alternative to serving time in gaol. Thirdly, it provides for either the suppression of records or a closed-court situation in matters involving certain sexual offences and offences which involve sexual penetration. The proposed legislation basically widens the scope of the provision to protect witnesses in those sorts of cases from some of the traumatic implications of being named and reported in the press. Fourthly, it provides for some collection of on-the-spot fines at a local government level.

As to the first point, most of the changes stem from the Pegasus Taskforce report which was handed down in September 1992. That report mentions a number of matters and forms the main recommendations of certain sections of the bill. In particular, the bill allows for practitioners to be penalised if they indulge in what seem to be practices designed to delay or increase costs or work against the reasonable operations of the courts. The penalties will be increased for criminal matters.

Secondly, the report recommends early disclosure of technical and forensic evidence by the prosecution to speed up cases, including surprise evidence if it does not materially affect the conclusion. That will reduce the costs of trials by reducing their length of time. On the whole that seems sensible. If a balance can be struck between reducing the duration of trials without cutting across the ability to have fair trials, then clearly it will benefit everybody. Justice will be expedited and people will not be held up in the courts in either criminal or civil matters.

The second important issue is the fine enforcement provision. The collection of fines has always been difficult. The amount of outstanding fines is considerable. Apparently more than \$150 million in fines is outstanding, \$30 million having accrued in the 1992-93 financial year. The Sheriff's Office is being given the power to seize goods in lieu of fines. That has applied in civil matters for some time, the argument being that in a dispute involving financial matters it is only fair that the injured party is able to recover in kind. However, the provision is being extended to the criminal jurisdiction.

The state will be allowed to seize people's property instead of their paying fines or serving gaol sentences. The problem I foresee is that many people will prefer to go to gaol rather than pay their fines. The Attorney-General has produced only anecdotal evidence. She has not produced any reports or statistical evidence to support her case. I find it strange that many people prefer to spend time in gaol rather than paying their fines. There are considerable dangers in the change, which is being undertaken in the name of efficiency and of collecting money for the state. Poor people will suffer. Although a fine of \$500 or \$1000 for a serious offence may not seem unreasonable for a person of some means, it is a significant amount for someone who is unemployed. That person may have to borrow the money — or he may just not be able to pay. In those circumstances seizing a person's goods could have serious consequences and be counterproductive.

If people believe the state will seize whatever few possessions they have — their motor cars or the few goods they have to keep body and soul together — they will become angry towards the system, state, the people in the Sheriff's Office, and anyone else who represents the law. The provision will most likely affect people of limited means. It has the potential to be counterproductive and to work against the creation of a harmonious society. Fines are set at levels that act as deterrents for people who

can afford to pay them; but the measure will pick up those people who do not have the means to pay.

I have some reservations about the provision for the collection of fines. A system called 'walking possession' can be applied. For example, essential goods such as refrigerators, stoves or washing machines are not removed, even though they could be, but are left with people who are entrusted to look after them, and the offenders have to make arrangements to pay the fines by instalment. The powers of the Sheriff's Office have been increased to allow forcible entry. It is a significant change, which allows the state to enter a person's house and to seize goods as a result of that person's being convicted of an offence which, although it was only a misdemeanour, attracted a fine that for one reason or another he or she could not pay.

The provision should be monitored closely. Parliament deserves more than anecdotal evidence. There should be a proper report and investigation, of the kind that a parliamentary committee would undertake. The measure should not be treated lightly. Honourable members with a law-and-order bent should consider whether it will achieve the aim they desire. It could have the opposite effect by increasing anger in the community.

The third part of the bill to which I refer is clause 17, which extends the power to close proceedings to the public. Clause 17(1) states:

In section 126(1) of the Principal Act, after paragraph (d) insert —

“; or

- (e) cause undue distress or embarrassment to a witness under examination in a proceeding that relates to a charge for an offence where the conduct constituting the offence consists wholly or partly of taking part, or attempting to take part, in an act of sexual penetration as defined in section 35 of the Crimes Act 1958.’.

The new section extends the capacity for hearing evidence or closing the court in cases involving sexual penetration. The aim is to protect witnesses who may be reluctant to go through the traumatic experience of describing incidents such as those in court. It allows the court to make decisions on withholding material from publication, suppressing it or closing the court to the public.

Because the giving of evidence such as that is traumatic, especially when people find their names in newspaper reports as a consequence — those type

of reports are increasing — it is reasonable to protect people in that way. The opposition supports the provision.

The last issue to which I refer concerns the extension of the PERIN system of on-the-spot fines to local government. I have some concern about that. It should not be seen as a revenue-gathering exercise for local government. The provision should be monitored. Although it may lead to some improvements in collection, I have not seen any evidence to prove that it is an efficient system. The second-reading speech argues that it is a logical extension of on-the-spot fines, and I suppose an argument can be made that it should be tested by local councils.

The opposition supports the bill, but it has some misgivings about giving the Sheriff's Office extended powers to seize goods. The Sheriff's Office has had some difficulty handling criminal matters. Its staff are not trained in that way. However, it is not a good use of police time to have them collecting fines. Moving the sheriff into this area has some dangers and it will require proper monitoring either by referring the matter to an appropriate specialist committee or by giving a reference to a parliamentary committee to monitor the results and to take evidence so that Parliament can be made aware of the way in which the Act is operating in 12 months or two years so that it can be ascertained whether it requires amendment. With those qualifications, the opposition supports the legislation.

**Hon. JEAN McLEAN (Melbourne West)** — As Mr Pullen has said, the opposition supports the bill with certain reservations. The minister in his second-reading speech said that the Magistrates Court is responsible for the bulk of civil and criminal litigation in Victoria. It handles 300 000 charges and 100 000 civil complaints annually, but it is the poorer Victorians who are likely to come into contact with the judicial process.

I am aware of this fact because during the 1960s and 1970s I spent hundreds of hours in Magistrates Courts on occasions when I was charged as a result of my opposition to conscription, and I also supported others who were charged for similar reasons. Mr James Kennan, the Attorney-General in the Cain Labor government, changed the system to require magistrates to be qualified barristers and solicitors. Prior to that, magistrates rose through the ranks beginning as clerks of court and finally taking their places on the bench. The move by the former

## MAGISTRATES' COURT (AMENDMENT) BILL

806

COUNCIL

Tuesday, 24 May 1994

Attorney-General was a necessary and progressive step.

The bill amends the Magistrates Court Act. It is appropriate that changes be considered from time to time to ensure that the Magistrates Court functions in the most efficient and just manner possible. The bill makes the work of the Magistrates Court more professional, and the opposition supports it.

I shall relate a couple of inequities that occurred during the 1960s and 1970s. Magistrates were put into two categories by lawyers: those who were known as police magistrates and took the word of police automatically; and those who made decisions according to the evidence before them. I am sorry to say that most magistrates fell into the former category. I often sat through cases before the case I was attending came up. I remember a youth who was charged with stealing 1000 long-playing records from Brashs. He was represented by a solicitor and a barrister. He had been caught stealing about 10 LPs from Brashs and when the police went to his house they found another 990 LPs that he admitted having stolen over time. The barrister said that the youth came from a good home, that he attended a private school and that he wanted to be a solicitor. The barrister pointed out that if the youth had a conviction recorded against him he would not be able to practise law. The magistrate gave him a good behaviour bond.

The next case was a stark contrast to the former case. Two youths about 16-years-old were brought up from the cells under the court. They were rather scruffy and they looked frightened as they stood in the dock. They had no representation. The cells at Russell Street were built of bluestone and were cold. They had no beds, just two grotty grey army blankets and a concrete toilet in the corner with a tap above it. There were no showers. The boys were charged with being in a car park in possession of tools that could be used to break into cars, that is, a chisel and a screwdriver. They were not caught using the tools but they had them in their possession. The magistrate asked the prosecutor which car park were they found in and when the prosecutor told him, the magistrate said, 'That is where I park my car. They could have stolen my car'. He asked the youths whether they had anything to say, but they just mumbled, 'No'. We did not find out what school they attended or whether they wanted to study law. They were sentenced to one year in Langi Kal Kal. The magistrate said that the governor of that establishment had told him that it was useless to

send boys to his institution for less time if he was going to straighten them out.

No matter what the situation, during that time most demonstrators were charged with resisting arrest and abusive language. Most were automatically convicted. I am sure that such injustices have occurred less frequently since the amendments to the Magistrates Court Act. However, one provision concerns me, and that is the enhancement of the sheriff's capacity to collect unpaid fines. The penalty enforcement warrant creates the ability to seize property of fine defaulters. There is a big difference between a civil defaulter, where a person who defaults on a private contract that has been agreed to is convicted and has his or her property seized, and the criminal defaulter, where the non-payment of fines allows the sheriff to forcibly enter his or her home to confiscate property.

The extra workload under the provision will make the Sheriff's Office less rather than more efficient. The minister justifies this on the grounds that people chose to go to gaol instead of paying fines. That does not ring true because it has been pointed out that there are no figures on the number of people who decide to go to jail instead of paying fines. There are a few who may know of people who have opted to go to gaol rather than pay fines.

If there were \$130 million in outstanding fines in 1992-93, as the minister has stated, including \$30 million accruing during that year, it would seem that the Sheriff's Office would be no more able to find defaulters than the police were. Not many of them have cleaned their slate by spending time in the slammer — unless there is another \$130 million we have not been told about.

Many people just cannot afford to pay fines. The cost burden of a fine on low-income earners can be enormous. Often they spend their entire wages on food and household bills including, of course, the new \$100 levy. It is impossible for them to save and they certainly cannot budget for fines, and therefore they default.

The setting of fines as a revenue-collecting mechanism appears to have grown to such an extent that the public sees it as just that, and certainly the police have said to me that the on-the-spot fines for travelling at 65 kilometres an hour in a 60-kilometre-an-hour area is a revenue-collecting activity. There is no differentiation between the rich and the poor, the fine is the same; and the latest proposition to grab people's property for

## MAGISTRATES' COURT (AMENDMENT) BILL

Tuesday, 24 May 1994

COUNCIL

807

non-payment of fines at best appears to be a desperate measure to help fill the coffers, but I doubt somehow that it will work that way.

According to the second-reading speech the Sheriff expects that his powers under the bill will be used principally for the seizure of motor vehicles. A motor vehicle is often the only way for people to get to work, especially with the state of the public transport system. Often the car is used for a person's work as well as for travelling to and from work.

If the government cannot collect \$130 million in outstanding fines, the setting of the level of fine needs to be reviewed. It should be just enough to be a deterrent for breaking rules but not enough to constitute a revenue-raising racket for governments at various levels to avoid the necessity to levy extra taxes.

My suggestion is that community service be set for defaulters instead of seizing their property or putting them in gaol. It would be appropriate and of more value to the community. Certainly it would be more successful than trying to seize property. Obviously we are not able to collect the fines as they are outstanding, therefore I am concerned about that provision in the bill. It is ludicrous for the Sheriff to be running around attempting to grab the property of people from whom he cannot even collect a fine. With those few words, I support the bill.

**Hon. D. A. NARDELLA** (Melbourne North) — I, too, express concern about the changes in the bill and the non-payment of fines. In many instances constituents of mine simply cannot afford to pay them, regardless of whether they are speeding fines or parking fines.

I totally agree with Mrs McLean and urge the government to examine various options for the non-payment of fines. I will touch on that point in a moment, but my first concern is the seizure of goods because, as was stated in the second-reading speech, the major item to be seized will be motor vehicles. For many in the communities of Sunbury, Roxburgh Park and parts of Whittlesea the family car is the only means of transport, and for the average family, if there is such a thing, it is the husband's means of transport to work.

**Hon. Louise Asher** — What?

**Hon. D. A. NARDELLA** — And if the husband uses public transport and the wife stays at home and looks after the kids, she then uses it.

**Hon. Louise Asher** — Get modern!

**Hon. D. A. NARDELLA** — It is not a matter of 'get knotted', it is a matter of reality.

**Hon. Louise Asher** — I said get modern! I would never say 'get knotted'.

**Hon. D. A. NARDELLA** — Anyway, the wife may use the car to get around and drive the kids to school and go places herself, and it may enable her to actually socialise. If the car is seized for non-payment of fines it paralyses the family and puts it at a social disadvantage.

As Mr Power points out, it is double jeopardy, which puts these people in a situation that does not apply in wealthier areas. Some of us are in a position to pay fines even if they are \$3000, but these people are battling to afford \$50.

For the benefit of Ms Asher, I cite the example of a modern family where the working hours of the husband, who is the only breadwinner, have been reduced. The gross wage is \$244 a week and the house repayments are \$180 a week. A \$50 parking fine or a \$115 speeding fine is impossible for those people to pay. The Sheriff then seizes the car, which is the husband's means of getting to work. The family is left with no car and no means of transport to go anywhere within the township of Sunbury and, in addition, the family's means of earning a livelihood has been taken away. The government wants to take away the only means that man has of getting to work. He must travel from Sunbury to Tullamarine, where he works. It is almost impossible to get there by public transport during the hours he is required to work. The government should not put people in that position.

**Hon. Louise Asher** — Don't speed!

**Hon. D. A. NARDELLA** — It is easy for Ms Asher to say 'Don't speed', but it is also easy to get caught. People do speed and they get caught. There are speed cameras everywhere. The cases I refer to involve low-income families who are seriously disadvantaged by the requirement to pay these fines. But my constituents are not the only ones who are disadvantaged. National Party MPs who represent rural areas —

**Hon. Pat Power** — Who should represent them!

**Hon. D. A. NARDELLA** — Yes, National Party MPs who should represent rural areas have as

constituents farmers whose families are asset rich but income poor. If a farmer suffers a bad crop or has a bad year there is not a lot of money in the household. In many instances farmers are up to their necks in debt, so they are not in a position to pay fines. The requirement to pay fines or suffer the consequences not only places them in a difficult financial position but may also take away their only means of transport or an implement they require to continue farming for their livelihood. That is why I express concern about the clause. There must be some other mechanism to deal with the non-payment of fines.

I agree with Mr Pullen that an inquiry should be held to determine what actually happens to those who fail to pay fines. It is not good enough for Parliament to provide further power to the Sheriff's Office to deal with this issue while the level of morale in the office is at a low ebb. It is not good enough for the government to come into the house and say, 'This is the only option'. It is important to offer alternatives when people are faced with the requirement to pay fines. An inquiry should be held and research should be carried out. All options must be explored so that my constituents and those of other honourable members are not faced with this difficult financial position. In the final analysis the government and the community will not benefit by such a system being implemented. Other options and alternatives should be explored.

Mrs McLean referred to the enforcement of community service obligations on people who are not able to pay fines. Isn't that a better way of dealing with the problem? Isn't that a better rehabilitative system? Isn't that a much more worthwhile community contribution from people who are unable to pay fines? It would be much better if my constituents who are required to pay fines were able to work their way through the situation.

At present many of my constituents and those of other honourable members cannot afford to pay fines. I have friends who have spent a night in gaol because they have been unable to pay the fines. They did not like it; they did not want to go to gaol; they did not want to incur the fines — at the time it was beyond their control. But they copped it. If the alternative were to provide some service or benefit to the community, I am sure they would have been happy to do that, even if they were required to plant trees for a day! That would benefit the community much more than seizing the vehicles of people who

cannot pay fines or taking away their livelihood and disadvantaging their families.

I often see such people at my electorate office. Many of them do not have sufficient funds to put food on the table. For three weeks some have not had sufficient money to shop. They have had to go crawling and begging to the Brotherhood of St Laurence or the Salvation Army. I have arranged for food vouchers to be given to them. Now the government is callously saying to them, 'If you incur fines when you were working, even if they were during better times, when the hard times hit we will make sure it is worse for you'. There are better alternatives. The government should be realistically considering those alternatives. It must ensure that the punitive measures contained in the bill do not adversely affect Victorian communities.

I urge the government to consider the plight of real people out there. The opposition is forever being told that it does not deal with real issues, but this is a real issue. The debate is about real people and communities who are suffering. Under this bill the government will impose a further cost on those communities.

**Motion agreed to.**

**Read second time.**

*Third reading*

**Hon. HADDON STOREY** (Minister for Tertiary Education and Training) — By leave, I move:

That this bill be now read a third time.

In doing so I thank honourable members who contributed to the debate. I have noted their comments or reservations on a number of issues, and I will ensure that they are directed to the Attorney-General so that she can take them into account. I thank honourable members for their support of the bill.

**Motion agreed to.**

**Read third time.**

**Passed remaining stages.**

## JOINT COMMITTEE RECORDS

**Message received from Assembly seeking concurrence with resolution.**

## ADJOURNMENT

Tuesday, 24 May 1994

COUNCIL

809

### *Assembly's resolution:*

That —

- (a) this house authorises the transfer to the Public Record Office of all joint parliamentary committee records in excess of four years old which have not been tabled in the parliament, subject to the condition that they remain the property of the parliament;
- (b) subject to paragraph (d), access to such documents to be granted only on the joint authority of the Presiding Officers or their nominated delegates;
- (c) reproduction or publication of the whole or any part of the documents be permitted for educational, historical or research purposes subject to the approval of the Presiding Officers and on such terms and conditions as they may determine; and
- (d) access to material presented to any committee on a confidential basis not to be permitted —
  - (i) in respect of in camera evidence and personal records less than 75 years old; or
  - (ii) in respect of all other material less than 30 years old.

**Hon. R. I. KNOWLES** (Minister for Housing) — By leave, I move:

That the Council concur with the Assembly and agree to the said resolution.

The purpose of the resolution is to give authority to the Presiding Officers to transfer the records of the joint parliamentary committees to the Public Record Office. This will free up much valuable space, particularly at Nauru House where the joint investigatory committees are at present housed, and will allow for those records to be treated in the same way as the original papers of both houses. In accordance with that arrangement the original papers are held at the Public Record Office under the province and control of the respective Clerks with access being granted only on their authority.

This proposal, which also makes provision for the release of confidential material in line with the accepted archival practice, is supported by the Director, Public Record Office. Following discussion between the officers of the department and the Public Record Office, a program of archiving the records of the Public Bodies Review Committee and the former Social Development Committee has already been completed and other work is well advanced.

The passage of this resolution from the Assembly will allow for the early transfer of a considerable amount of material and will facilitate the better use of existing office space as well as providing the authority for an ongoing program.

I commend the resolution to the house.

**Motion agreed to.**

## ADJOURNMENT

**Hon. R. I. KNOWLES** (Minister for Housing) — I move:

That the house do now adjourn.

### **Tow-truck driver certification**

**Hon. PAT POWER** (Jika Jika) — The matter I direct to the attention of the Minister for Roads and Ports concerns tow-truck driver certification. I have received representations from Kiwi Autos Towing Service in Reservoir which operates a panel beating and spray painting business. It advises it has the support of the Victorian Automobile Chamber of Commerce for its concern about certain deregulation activities which have resulted from decisions taken by the government.

The firm considers that the certification of tow-truck drivers should be reintroduced. It is the view of Kiwi Autos that driver certification contributed to ensuring that suitable people were employed and that appropriate standards were applied to those who drove the tow trucks.

I ask the minister to say whether a review is possible and, if so, to supply some broad time line that may apply.

### **Wooragee Primary School**

**Hon. C. J. HOGG** (Melbourne North) — I direct to the attention of the Minister for Tertiary Education and Training, who is the representative of the Minister for Education in the other place, a small school in the north-east of Victoria, the Wooragee Primary School.

**Hon. W. R. Baxter** — A good school.

**Hon. C. J. HOGG** — A very good school. Last year Mr Power and I visited that school when it was threatened with closure. It campaigned vigorously throughout 1993 against annexation and closure,

and despite being off the beaten track it played host to His Excellency the Governor and to the leader of the Australian task force in Somalia. The Landcare strategy was launched at that school, which I consider to be very strong in its curriculum. It has the most solid community support imaginable.

The school has been annexed to Yackandandah and all its attempts to demonstrate the quality of its curriculum seemed to have fallen on deaf and unsympathetic ears. Last year — the year it was to be integrated and the International Year of the World's Indigenous Peoples — the school entered the 1994 civic excellence award for the Wodonga district. Last week it learned that it had won the primary school award for the Goulburn north-eastern region and is now a contestant for the statewide award.

I seek the minister's assistance in providing a definition of 'quality curriculum' which this school, which was not allowed to stand alone last year, so obviously needs.

### **Doveton elderly person units**

**Hon. R. S. IVES** (Eumemmerring) — I commence my comment on the matter I refer to the Minister for Aged Care by congratulating the government on building 17 self-contained units for elderly persons in Doveton. The minister will be aware that the community in Doveton is ageing as many who settled in the area in the 1950s and 1960s are now reaching the status of senior citizens. The City of Berwick has approached the Minister for Education and the Minister for Aged Care about the possibility of a land swap between the land presently occupied by the Peace Court units, Doveton, and the site of the former Doveton West Primary School.

Those three-storey, walk-up flats are past their useful life and are unsuitable for the elderly. I have found a remarkable community spirit there. The units are home to the Doveton Senior Citizens Club which has operated well for the past 25 years. I consider that that sort of community should continue. It should be fostered by the government and be housed in a development at the Doveton West site.

The opportunity of swapping land on which the Doveton West Primary School stands could benefit the community, and it could then assume ownership of the Doveton West site. I ask the government to seriously consider the proposition as the community is most supportive of the idea.

### **Floods in north-eastern Victoria**

**Hon. D. A. NARDELLA** (Melbourne North) — I remind the Minister for Regional Development that in September last year devastating floods hit north-eastern Victoria. Those floodwaters went through Benalla and Wangaratta and continued downriver through other areas.

**Hon. W. A. N. Hartigan** — They generally do.

**Hon. D. A. NARDELLA** — That is right — very good, Mr Hartigan. The floods devastated those communities and are still affecting the families in those areas. Many have received little government assistance other than some financial and other material assistance from charitable organisations.

Damage from the floods can still be seen in some homes, shops and factories. It has been acknowledged by the Minister for Police and Emergency Services in the other place that the situation is still bad and is continuing to affect communities.

What action has the minister and his department taken to ensure that the trigger for federal government assistance is automatically put in place to assist those communities, families and businesses in their time of greatest need?

### **Traffic congestion in Melbourne Province**

**Hon. B. T. PULLEN** (Melbourne) — I direct the attention of the Minister for Roads and Ports to traffic studies in my electorate. The matter follows on from a meeting I attended last evening in Carlton.

**Hon. W. R. Baxter** — I received an invitation to that in my letterbox, too.

**Hon. B. T. PULLEN** — At one point those in attendance thought you were there.

**Hon. W. R. Baxter** — I would have been there except the National Party had a function.

**Hon. B. T. PULLEN** — I have to say that one of your officers who was mistaken for you quickly corrected that mistake. Three officers from VicRoads attended to answer questions and give information. One of the points raised repeatedly at the meeting was the impact of additional traffic flowing from the freeway into the surrounding streets as a result of increasing the capacity of the freeway.

## ADJOURNMENT

Tuesday, 24 May 1994

COUNCIL

811

I heard that the current average of 55 000 vehicles per day might increase to something like 95 000 vehicles per day. One of the departmental officers said that although the analysis of traffic changes could not be characterised by a couple of figures, the work carried out by the department has shown that the traffic went in different directions, as it usually does.

That answer was not satisfactory to the people who wanted to know how much traffic would come into the area. Will the minister make the information and the studies available to me or, preferably, publicly available so that a proper assessment can be made of the impact of increased traffic on those streets?

For the information of the minister, the meeting was conducted in an atmosphere of seeking information and reasonable exchange; no-one was lynched or attacked. It was recognised that the officers attended to provide information and they were treated with courtesy. The issue is very important. People are apprehensive about how the traffic will be managed. The story they have heard before is that no change will take place and that all the traffic will be managed. The people appreciate the freeway has already increased congestion and they do not look forward to any further increase.

Without breaking the rule of the house by asking two questions, I point out that on 19 April when I asked a question about traffic congestion in the area, the minister said he thought my question was extremely reasonable. However, I have yet to receive a response and the issues tie very closely together. Will the minister provide figures on the existing road congestion and the anticipated increase as a result of the freeway. Then residents will have a much better picture of what is being thrust upon the electorate.

**Hon. R. I. Knowles** — Your patience will be well rewarded.

**Hon. B. T. Pullen** — I may not be so reasonable next time.

### Responses

**Hon. Haddon Storey** (Minister for Tertiary Education and Training) — Mrs Hogg directed the attention of the Minister for Education to the Wooragee Primary School, which has been annexed to Yackandandah Primary School. This year, the Wooragee Primary School achieved the curriculum excellence award for the Goulburn north-east region.

I congratulate the school upon that achievement, which is an excellent result. Mrs Hogg asked the Minister for Education to define quality curriculum in light of the fact that the school was required to be annexed to Yackandandah Primary School even though it achieved the curriculum excellence award. I will certainly ask the minister to respond. I imagine that if the school were required to be annexed to Yackandandah Primary School, it is probably something to do with the size of the school rather than the quality of the curriculum. Be that as it may, I will ask the minister to provide an answer to Mrs Hogg.

**Hon. W. R. Baxter** (Minister for Roads and Ports) — Mr Power referred to tow trucks and tow-truck drivers certification. He might recall that Mr Ives raised that same issue three or four weeks ago. I refer him to the remarks I made on that occasion, suffice to say that since I gave that reply to Mr Ives some work has been done by the transport department bureaucrat I mentioned in that response and he reported to me today. I am giving consideration to those recommendations and I anticipate some changes may well be made.

I do not want to give Mr Power any hope that drivers certificates will be reintroduced in that form because they were abolished as part of mutual recognition legislation. I do not want to convey the impression that I want to move away from tow-truck operators and owners being responsible for the behaviour of their employees. That is clearly an onus that rests fairly and squarely upon them. Nevertheless I want to assure Mr Power that the allocation system that is in place for vehicle collisions is under no threat whatsoever. It will be retained but could well be refined in light of the recommendations put to me today.

Mr Pullen referred to a public meeting held last evening in Carlton. I received a dodger in my letterbox in Station Street about that meeting. I would like to have attended, but I had a rather important prior commitment in Richmond last night. I am pleased to hear from Mr Pullen that the meeting was well structured and reasonable, and that the VicRoads officers present did their best to impart the information and answer the questions that were asked. I will examine what further information VicRoads has that might be made available to Mr Pullen. I have no objection to traffic counts being made available.

VicRoads has a vast amount of material on this subject. Clearly some will relate to the questions

## ADJOURNMENT

812

COUNCIL

Tuesday, 24 May 1994

raised last night and the officers present could not be expected to anticipate every question asked. They may not have had all the information on hand. I will examine what is available and respond to Mr Pullen.

In response to Mr Pullen's second question I am able to advise him that approximately 40 minutes ago I signed a letter to him in response to the matters he raised on 19 April. That letter basically confirms the impression Mr Pullen gave the house that traffic congestion has increased in the area to which he referred.

**Hon. R. M. HALLAM** (Minister for Regional Development) — Mr Nardella again referred to the devastating floods experienced across much of northern Victoria in the Spring of 1993. I acknowledge that many of the communities in that region are still suffering the effects of the floods. He asked particularly about the action my department may have taken to trigger state government relief that may have further triggered a contribution from the federal government.

The issue falls within the ambit of the Department of Justice and the Minister for Police and Emergency Services. Recently I had a further visit to the affected area to discuss the issue. I shall seek advice from the minister and report directly to Mr Nardella.

**Hon. R. I. KNOWLES** (Minister for Aged Care) — Mr Ives referred to the opportunity for the Department of Planning and Development to acquire the old Doveton West Primary School site

for the redevelopment of housing ministry units in Peace Court which are generally accepted as being close to the end of their economic life. The City of Berwick has also raised the matter and I have received letters of support from councils, Mr Ives and the other local members.

I have discussed with the Director of Housing whether the department can acquire the site for the development of new units and move in current ministry tenants, which would enable us to demolish the old blocks. However, the department faces some difficulties in bringing the exercise to fruition. As Mr Ives said in raising the matter, the department is involved in the construction of a significant number of elderly person units in the area. We want to continue the program, and it is not a shortage of land that is stopping us. It did not make much sense for the ministry to purchase the school site, given that it would consume resources.

I will obtain for Mr Ives more details about the rationale behind the inability to take up the offer. I assure him that the concept has been considered seriously by the ministry and the reason for not proceeding is based solely on a concern to use the available resources to achieve the best outcome in housing in Doveton, particularly for older people.

**Motion agreed to.**

**House adjourned 10.02 p.m.**

Wednesday, 25 May 1994

## PAPERS

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.03 a.m. and read the prayer.

### PUBLIC PROSECUTIONS BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

### BUSINESS OF THE HOUSE

#### Ringling of bells

The PRESIDENT — Order! On the question of the ringing of the bells at the end of the day's proceedings, the house has the practice of ringing one bell when going on the adjournment and two bells when the house rises. So that there is no confusion with the ringing of the bells in the Legislative Assembly, I will suggest to the Clerk that the bells be rung three times at the end of the day's proceedings. The reason is that the Assembly rings two bells when going on the adjournment and four bells when the proceedings are over.

*Honourable members interjecting.*

The PRESIDENT — Order! Once we come to televising the proceedings, it will not be necessary.

### ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

#### Extractive industries

Hon. R. J. H. WELLS (Eumemmerring) presented report of Environment and Natural Resources Committee on planning issues for extractive industries, together with appendices and minutes of evidence.

Laid on table.

Ordered that report and appendices be printed.

#### Laid on table by Clerk:

Melbourne College of Printing and Graphic Arts — Report, 1993.

Parliamentary Committees Act 1968 — Minister's response to recommendations in Scrutiny of Acts and Regulations Committee's final report upon the Review of the Victorian Equal Opportunity Act 1984.

Water Act 1989 — Minister for Natural Resources' reasons of 24 May 1994 for decision to constitute the Gippsland Rural Water Authority, Goulburn-Murray Rural Water Authority, Southern Rural Water Authority, Sunraysia Rural Water Authority and Wimmera-Mallee Rural Water Authority to take over various responsibilities under the Act in place of the Rural Water Corporation.

### MOUNT STIRLING

Hon. B. T. PULLEN (Melbourne) — I move:

That in respect of Mount Stirling, this house —

- (a) rejects the 'desirable minimum development', as described in the statement of the Minister for Natural Resources on 17 March 1994;
- (b) affirms that there should not be infrastructure development to facilitate a cable car link to Mount Buller, downhill skiing, restaurants or accommodation; and
- (c) is of the opinion that it should be managed to provide for sustainable activities compatible with minimum infrastructure development and environmental impact such as (i) environmental education, including VCE studies; (ii) cross-country skiing; (iii) bushwalking and self-contained camping; (iv) trail riding; and (v) ecotourism activities designed to provide visitors with an experience of alpine bush with minimum environmental impact.

The proposed development of Mount Stirling has already aroused considerable concern among members of the community in general and among people who live in the region of Mount Stirling in particular. The motion provides members of the house with the opportunity of indicating that they do not support the thrust of the ministerial statement made on 17 March by the Minister for Natural Resources, Mr Coleman. It also gives members the opportunity of demonstrating that they do not consider that an appropriate future for

Mount Stirling includes gondola connections to Mount Buller, downhill skiing facilities or increased infrastructure development on the mountain such as restaurants and accommodation. The motion provides honourable members with the opportunity of pointing out that the way forward for Mount Stirling is that described as desirable by informed and interested local people.

Mount Stirling occupies an important place in the hearts of people who enjoy outdoor recreation as well as other activities related to understanding the Australian bush, particularly the alpine bush, through education and general involvement. The package of measures suggested by the local people is compatible with the sensitive and low-key development of the mountain. The motion gives all honourable members the opportunity to show their support for a sensible proposal that has been clearly identified by both locals and others concerned with preserving the facilities while allowing people to enjoy them.

Many issues could be raised during the debate. But the central issue for me, when I read the documentation and follow the rather sad tale of the proposed development of Mount Stirling and the manoeuvring and secrecy of the government, is the frustrations encountered by local people in their struggles to put their points of view. People have attempted to use all the normal processes of working with government. They have approached their local members and various ministers from whom they expected to receive reasonable treatment. But they have struggled to make their point and have been driven to take the strongest action: to politicise and mobilise their cause. They have found their local members to be impotent in influencing government on their behalf. Ministers have not responded. To their dismay these people have been misled. That story is repeated in other cases where ordinary people have tried to have matters of concern addressed.

The problem is a combination of the bureaucracy having a fixed view about what is appropriate for Mount Stirling and a strong consensus among senior ministers that this is the way to develop the mountain. It is analogous to the grand prix proposal, where decisions have been made without proper process. The people of Victoria have been ambushed. I have documentation that clearly shows that this matter has been organised so as to treat the local Mount Stirling Task Force as the enemy: to be outmanoeuvred, deceived and dealt with unreasonably. That is the substance of the accusation

about the way the government has handled this issue.

Under freedom of information I have obtained material that was not made readily available. I refer to a letter of 30 October 1993 written by the Mount Stirling Development Task Force that puts a point of view to the government. The letter is addressed to the Deputy Premier in his capacity as Minister for Tourism. It is a reasonable letter and the task force points out that it has broad support from four-wheel drive clubs; Nordic ski clubs; Timbertop School and Geelong Grammar School, Corio; Lauriston School; Project Mansfield; the Mountain Cattlemen's Association of Victoria; the Stirling-Delatite Action Group; and Stirling Experience Pty Ltd.

The letter points out that the task force is not a 'greenie' group, its members are people who have a conservation interest in the area but are concerned about its total development, including jobs and economic development. These people want to continue to do the things they have been doing successfully at Mount Stirling, for which they are seeking help from the government.

What they do not want is a project that brings in the Mount Buller ski-tow company to take a head lease over the mountain so that the members of the task force are sidelined and become bystanders. They do not want to see the mountain developed as a tourist resort without any consideration being given to the interests of the locals, much less to their long-term vision for the mountain.

The task force is aware of the alternative proposals and the position statement attached to its letter says:

Current proposals to convert Mount Stirling to a downhill ski resort are probably contrary to both the potential of the mountain as a year-round resort and the interests of tourism in the region.

Hon. G. H. Cox — Who said that?

Hon. B. T. PULLEN — The Mount Stirling Development Task Force sent a letter to the Minister for Tourism on 30 October 1993. It went on to say:

There should be no infrastructure development above the treeline on Mount Stirling.

Infrastructure development must have a minimal environmental impact and enhance the all-season appeal of Mount Stirling. Cross-country ski-ing infrastructure is ideally suited to these aims.

This task force will develop a proposal for sustainable and environmentally sensitive tourism on Mount Stirling which will demonstrate its economic, educational and heritage value to the long-term advantage of the regional and national tourism economy.

The group is not setting itself against the government, it is offering to work voluntarily with the government on proposals that will provide economic development and employment in a way that suits the needs of the local area and is sensitive. That is a reasonable approach.

What happened? The task force received from the government the advice that there is no real need to panic, there will be plenty of time. The group had a meeting with the Minister for Tourism and as recently as 7 February 1994 again wrote to him saying:

Following your recent assurance that no decision on the future of Mount Stirling will be taken in the immediate future, we have decided to postpone release of our 'blueprint' for Mount Stirling until after our planned ecotourism conference has been held this year.

Our task force, in conjunction with Project Mansfield and Geelong Grammar School, Timbertop, will be hosting a conference for tourism operators to workshop practical applications of ecotourism.

The group was led to believe by the exchange of letters and discussions with the government that it had some time, that it could slow down and that there was no need for a campaign, that it could develop its proposals, have conferences and reach some reasonable arrangement with the government. The group was wrong; it was misled.

A file note from the Department of the Arts, Sport and Tourism shows the unease of the writer of the note. By 10 March 1994 there was a collision course, with the local group moving down a path on which it believed it could have reasonable dialogue with the government and had some time to do that. Behind the scenes ministerial statements were being prepared, and the project was to be launched on 17 March 1994. The advice in the file note states:

In view of the circumstances, I recommend that the Minister for Tourism respond to the letter from Dr Kerr acknowledging the difficulties of the task force, but seeking a submission by 11 April 1994.

I have taken the liberty of preparing a draft for the minister to sign.

Even at that stage the task force was being led to believe that nothing precipitate was about to happen, that it could continue to have conferences and prepare submissions and the government would listen. But the government is not listening. The documents go back to 5 August 1993. A file note from Allan Scott, the general manager of administration, about discussions regarding the Mount Stirling development states:

Not a lot of action has taken place since meeting of cabinet committee, because the ARC and the Grollo group have been distracted by a very bad ski season to date — Mount Buller is down 40 per cent compared to same time last year.

Scoping of the project continues, but there is no great urgency to firm matters up — the overall strategy is to proceed quietly and not cause any public pressure through the 'greenies' or Mansfield council.

Some details of the project are in the public domain — there was a meeting at Mansfield on 2 August organised by the 'greenies' — however, the meeting was very much low key and not with the same degree of sting as in previous years.

**Hon. G. H. Cox** — Who wrote that?

**Hon. B. T. PULLEN** — Allan Scott, the general manager, administration. It is a file note of the Department of the Arts, Sport and Tourism.

The ARC are mindful of the current local government election, and don't want to see the matter inflamed so that it becomes an issue.

This is a tactical document. It gets better.

Most senior cabinet members have been to see first-hand and the feedback is very positive and supportive. The Minister for Planning has not yet visited, but is indicating a positive attitude/support.

It is interesting that senior cabinet members are visiting the area. Residents of Mount Stirling are alert; they noticed some activity. In a letter to the Minister for Police and Emergency Services on 23 July, Dr Alan Kerr states:

In recent months there have been some activities noted that have created the belief that there are well advanced plans for the development of Mount Stirling

as a downhill ski resort. Unfortunately any attempts to gain accurate information from the Alpine Resorts Commission have not been successful and indeed there has been no reply to a request for such information made by the Mansfield Shire Council.

That is interesting.

Most recently the state Treasurer —

that noted cross-country skier —

was observed by myself in the company of Alpine Resorts Commission and Mount Bulla Ski lift representatives on Mount Stirling, inspecting an area known to be proposed as a site for a ski-lift development.

Things must be getting serious if that noted outdoors man, the Treasurer, took the trouble to visit Mount Stirling to inspect the area with the proponent and a representative of the ARC. I will be interested to hear during the debate whether the Minister for Conservation and Environment inspected the area. I wonder whether he has been on the mountain. Is he one of the senior cabinet members? Perhaps he will tell us.

The key sentence in the file note from Allan Scott is the one I shall next quote. It shows the underlying strategy of the government: it is not necessary to develop this immediately because of the slowdown and the fact that the Grollo Group Pty Ltd has been distracted by a very bad ski season.

The current planning is to look at the years 95 and 96 as the earliest that the public infrastructure could commence — 1994 might be a window of opportunity to complete an environment impact statement — Department of Planning sect has indicated that this can commence when convenient and to best tactical advantage.

That is a clear display of the way local people are being treated. The government is saying, 'We will let them have an environmental impact statement in 1994 because we do not need any development in 1994; our plans are for later. We will let them have this window-dressing exercise in 1994'. That is exactly what is happening now. Although it may be a window of opportunity, it is not a tactical advantage because the timing was upset.

The minister and Mr Bentley mucked it up. They subsequently received a rap over the knuckles. They thought they would pounce on the people in a

surprise attack at a public meeting in Mansfield. That backfired — the people were not cowards. They responded by organising an injunction so that the timing had to be rethought. The minister has been hauled in — not because he is doing something with which the government does not agree, but because he is not doing it well enough. He and Mr Bentley allowed themselves to be caught out. The tactical advantage has been lost.

The government must regroup, and the regrouping is the main game. Does regrouping mean using 1994 as a window of opportunity to hear submissions ranging from arguments about a very low development to a massive development with everybody running around making submissions and working very hard? Does it mean the minister will then appoint a panel and make a decision? He could say, 'You've had your consultative process, but sorry locals, we've decided to go ahead any way. We hadn't decided back in 1993 or when we delivered the ministerial statement on 17 March 1994, we have just decided now — and it just happens to be exactly the same deal that was struck with Grollo earlier'. Where are the local members? Mr Craig has left the chamber; basically he is a non-event. I notice he is coming back.

Hon. M. A. Birrell — Say it again!

Hon. B. T. PULLEN — He a non-event. Although I have a swag of documents, his name is mentioned only once in the whole lot. Nobody even bothers to send him copies of correspondence. Mr Craig's impact is negligible. The opposition cannot say he has done any harm; it cannot say he has done anything at all! Mr Stoney has not one iota of influence in the government on this matter. However, Mr Stoney has tried to play a role, which is not surprising because - -

Hon. M. A. Birrell interjected.

Hon. B. T. PULLEN — I am pointing out something that is more serious than you obviously believe it to be — that is, given that you have a responsibility as the Minister for Conservation and Environment. You do not appear to have done anything at all throughout this process. It will be seen whether you had any influence on it. It is very doubtful from the material I have. But have the local members had any influence? I would regard Mr Stoney as having a very good knowledge of the area. He has been involved in outdoor activities and has ridden horses in the area. I expect he has done

some cross-country skiing and has a good appreciation of the area's value.

Hon. E. G. Stoney interjected.

Hon. B. T. PULLEN - He lent me a horse once, but he has refused to do so again. The point is that even someone like Mr Stoney, who one would expect to understand the views of the locals, has also been powerless to do anything about the issue. It is interesting that, although he has attempted to have deputations appointed, he has received virtually the same treatment as the task force. He has been given assurances by the Minister for Tourism that there is no need to panic and that the matter will be handled. He has been told that there will be time for submissions to be prepared by the task force. He cannot tell that to his local constituents.

It does not matter that as a government member he has been told something that is patently not true. However, he is being used in that way and the process moves on. Despite what I have said about accepting Mr Stoney's interest and knowledge in the area, it is disturbing that he is caught up in the matter, too.

A file note from Bob Annells to the Minister for Police and Emergency Services of 17 March exposes the tactic. It states:

This evening -

the very evening the ministerial statement was released-

the Chief Executive of the Alpine Resorts Commission (Philip Bentley) will attend a public meeting in Mansfield convened by the Mount Stirling Action Group. Mr Bentley's appearance is unexpected. He will read the attached statement by the Minister for Natural Resources which sets out a process to finalise a head lease for the coordinated development of Mounts Bulla and Stirling. The minister has requested that the statement not be released until after the public meeting. The Minister for Natural Resources has provided a copy of the statement to Mr Stoney (MLC) in confidence.

I do not know whether - -

Hon. G. R. Craige - What date is that?

Hon. B. T. PULLEN - It is 17 March.

Hon. G. R. Craige - When was the meeting?

Hon. B. T. PULLEN - That day. He received it in confidence; he did not really come clean about it.

Hon. G. H. Cox - What could he do with it?

Hon. B. T. PULLEN - Mr Stoney did not need to say what he said at or after the meeting, but I respect his views. He is quoted as saying:

My personal view, and it has been for 20 years, is that I am implacably opposed to downhill skiing at Mount Stirling ... That ministerial statement maybe puts me at odds with government policy, but I have a clear conscience because that is the first really that I have heard of the decision.

Hon. R. I. Knowles - That was the same day.

Hon. B. T. PULLEN - Mr Stoney may respond, but the impression he chose to give was one of being taken by surprise. One must conclude that he really was taken by surprise, in which case the government has treated one of the members who represents that area with contempt. It kept him in the dark for the duration of the planning exercise. I do not know whether the government bothered to consider whether Mr Craige needed to be told anything. Certainly Mr Stoney deserved to be told. Either he was taken by surprise or he was in the know and tried to create the impression that he was outraged - along with everyone else. He cannot have it both ways. Either he is misleading his constituents or he is in league with the government and has ambushed them, or he has been treated with contempt and has not been briefed or given an understanding of the extent to which the government is tied in.

The ministerial statement tied the government into the development and Mr Stoney has been hung out to dry.

Hon. E. G. Stoney - You will have to do better than that.

Hon. B. T. PULLEN - Those questions will have to be answered to the satisfaction of Mr Stoney's constituents, in the same way that Ms Asher will have to answer to her constituents for her lack of representation of their interests in the staging of the grand prix at Albert Park. Mr Stoney, you need to explain to your constituents the role you played prior to the announcement on the 17th. You cannot have it both ways.

Hon. E. G. Stoney - Don't insult my constituents.

Hon. B. T. PULLEN - The documents clearly show that the government has treated the local people with contempt. It has manoeuvred to defeat them, but it has been caught out because the people have had the skill and courage to obtain an injunction to force the government to bring forward its environment effects statement, which it has planned as a window-dressing exercise.

That is the farce we now face. The government is back on track with the development, but it is using this year to lull people into a false sense of security by giving them the impression that it is listening to them. But the decision has already been made; the government is locked into a development that is totally unsuitable for the area. It has no relation to either the needs of the area or the long-term recreational tourism needs of the mountain. The proposal will not allow year-round use. It is deal that is dedicated to allowing the takeover of the mountain by the operator of Mount Buller. That has been made abundantly clear, and the local people are now becoming aware of it. It is a sad tale of the government rolling over local people and treating them with contempt.

It is important that the house debate this issue today and examine the most appropriate way of dealing with Mount Stirling. Conservationists and local people are unanimous in their opposition to the proposal, saying it is inappropriate for Mount Stirling, which occupies an interesting place in the Alpine range. It stands alone and access to it is unusually good. It is the first large mountain people encounter as they move into the alpine area. Many parts of the alps are important for bushwalking and other recreational activities. I do not claim to know the area as well as the local people, but I have walked on Mount Stirling, from the Stanley Name to Crosscut Saw, out to Mount Speculation to the Viking and Razorback Peak. I have walked to the Macalister River and down to Wonnangatta by Howitt Plains. I have walked down from there to Crooked River and Talbotville, Grant and Dargo, which Mr Stoney knows is a fair walk. Many people enjoy the experience of walking in the alpine areas. It is important to appreciate the area without it slowly deteriorating through development.

People in New Zealand have a mature view about maintaining their alpine area in a state that has been experienced and enjoyed by generation after generation. They want to ensure that the excitement and the pleasure of discovering remote areas, wilderness and undisturbed places are available for future generations. That is part of the philosophy

underlying people's support for preserving Mount Stirling for low-key activities. They do not see the development of Mount Stirling as mirroring that of Mount Buller. They do not want to be in the position of people in other parts of the alps. They do not want people to see on Mount Stirling the types of features so apparent only on Mount Buller. They do not want to see Mount Stirling sacrificed because Mount Buller cannot cope with the load - and they are right. They also believe any development of facilities at Mount Stirling will have numerous environment impacts. Simon Leslie, the head of Timbertop, makes that clear. He says:

The school should join with the Mansfield-based Mount Stirling Development Task Force as it pursues its goals of attempting to create an ecotourism destination at Mount Stirling.

With the creation of major man-made facilities there must be major concerns about the ultimate danger to the river valleys. Of particular concern are:

1. The possible decrease in water quality in the Delatite and King rivers.
2. Increase in river turbidity.
3. Danger to hikers using water for drinking below the proposed development.
4. Visual pollution.
5. Extermination and expulsion of wildlife.
6. Loss of quality of life for nearby residents.
7. Loss of scenic skyline.
8. Increased erosion ...

Mount Stirling is a mountain of great educational significance provided it stays the way it is without any great influx of visitors or related infrastructure. The school strongly opposes any mechanical development proposal for the mountain.

The Victorian National Parks Association puts its view clearly. It states:

We question the justification or need for development of Mount Stirling and have no evidence that these issues have been addressed. Also apparently ignored is recent climatic modelling by CSIRO which indicates that Mount Stirling may have zero snow cover by next century.

A report of the Commonwealth Scientific and Industrial Research Organisation of February 1994 refers to climate changes and duration of snow cover in the Victorian Alps and indicates in both the most

optimistic and pessimistic scenarios that the long-term viability of downhill skiing development and the length of season for downhill skiing are questionable. It predicts that in the worse case scenario the average snow days at Mount Buller, a relatively high mountain, will decline from 126 to 49 days. That will also be the result if the government is foolish enough to press ahead with sacrificing the quality of Mount Stirling for a limited and quick return on a last hoorah in the ski season.

The locals are offering a thoughtful, long-term proposal which maintains the value of the mountain, respects environmental quality and achieves long-term employment and enjoyment for people in the future. The government does not take those people seriously and allows the bureaucrats to manoeuvre against them. Senior ministers have made up their minds after visiting the area; they have not embraced the proper process but have embraced a process which is a sham.

Hon. M. A. Birrell - Why?

Hon. B. T. PULLEN - Because it occupies the window of opportunity; it is basically window dressing. When the development is required at a later stage they will move ahead with downhill development as always intended. The government has been exposed on this issue, as it has with the grand prix. It is not interested in the local or broad views about the importance of such areas.

The last part of the motion refers to what should be done and presents a positive option in recognising the goodwill and energy of locals in the development. It also acknowledges what could be a sensible future for the mountain based on cross-country skiing, a family-orientated and more affordable activity which does not deserve to be squeezed out by downhill skiing, which produces large profits over a short time.

It also recognises the use of the mountain for educational purposes. The mountain can be accessed easily by many schools choosing to visit it. It is in a unique position because it can be used for the first outdoor experiences of many young people. The mountain is also important for Victorian certificate of education studies because of the unique opportunities it offers for field work in biology, zoology and other relevant VCE subjects.

The mountain also provides year-round bush walking for families in an important part of the Victorian Alps. That would not be so attractive if the

mountain became yet another ski resort with constructions all over it and a declining quality of water due to sewerage effluent and drainage impacts.

The mountain could also be developed for ecotourism with local people actively involved in running tours which conserve the mountain in its current state. There is also sufficient energy and willingness to run rehabilitation programs and to remove weeds so that it can be part of a community-based educational program. If the mountain were not developed it could be a showpiece of people working together to repair the damage that has occurred in the past from overgrazing, logging and weed infestation.

Although the damage to Mount Stirling is considered to be relatively minor and does not seriously detract from the value of the mountain - which is recognised and acknowledged by the Australian Heritage Commission as a place of national significance - the natural habitats of Mount Stirling could be restored to provide access for recreational and educational facilities. That requires only modest facilities and investment commensurate with local involvement and local control. It does not require someone to come in over the local community's heads and take over a lease and run the mountain as part of a private downhill ski empire. That is not necessary.

Particular measures could be taken to improve the area above the skyline. Having seen it, I believe - I think others would agree - that the four-wheel-drive tracks could be rerouted to pass around the mountain below the tree line so that the tracks could be rehabilitated. That could be done without affecting people's ability to access and enjoy the mountain and would be another way of rehabilitating the mountain. It could have year-round economic viability, provide local employment and assist the local economy.

The mountain is also the jumping off point for more challenging experiences in other parts of the alps for schools and families. Mount Stirling provides a safe encounter with alpine bush and if a group gets into trouble they can escape it in any direction. It provides a safe learning ground for people in the outdoors, especially those who want to venture into more remote areas.

The government has set its face against that. It has treated its local members with contempt by not informing them of what is going on and involving

them in a duplicitous relationship with their constituents. It has treated the local community with contempt by outmanoeuvring them. That is clearly shown in the documents I have obtained under freedom of information legislation. That is a sad story but it can be remedied if the house has the courage and the ability to recognise that instead of going through the protracted farce of trying to outmanoeuvre the local people and others concerned about proper development of Mount Stirling. This hopeless and ill-judged development should not proceed. Mount Stirling should be developed in a way that matches local needs, good sense and conservational ethics. I urge all members to support the motion.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - In addressing this motion I move:

That all words and expressions after 'house' be omitted with the view of inserting in place thereof 'supports a full and independent environment effects statement, involving extensive public consultation, being prepared prior to any decisions being made on its future'.

In moving the amendment and addressing the motion I make it clear to the house that the coalition has always supported and will always support the view that nothing happens on Mount Stirling unless an environment effects statement (EES) is conducted under the Environment Effects Act.

Unlike the Labor Party, the government has always taken that view, which is why it will be proud to support a motion calling for a full and independent environment effects statement on Mount Stirling, and that is being initiated at the moment.

I have visited Mount Stirling on numerous occasions and enjoyed the visits immensely. I look forward to the EES. The statement will be prepared by the Department of Planning and Development, and all interested parties, including groups and individuals, will be able to make submissions on the various options.

The government made it clear when the matter was publicly debated some months ago that firstly, it has not made a decision on Mount Stirling; and secondly, it has no preferred option on Mount Stirling. The only decision the government has made is to have an EES on the area. The options considered by the EES will obviously include the status quo of future development, cross-country skiing and other proposals.

Hon. B. T. Pullen interjected.

Hon. M. A. BIRRELL - All honourable members have heard from Mr Pullen today is an attack on the integrity, the standing and high reputation of environment effects statements in Victoria, which have been run under exactly the same rules that applied under the Labor government and are being conducted by exactly the same people. All we have heard from the shadow minister, who is so much on the mark that he failed to move the motion two months ago when it might have been relevant, is a grubby attack on independent public servants running the EES. The process is fully independent, recognised as such interstate and overseas; it is based on no preferred option, will incorporate all individuals and, most importantly, it will - -

Hon. B. T. Pullen interjected.

The PRESIDENT - Order!

Hon. M. A. BIRRELL - I am happy for anyone to hear the mindless nattering from the failed minister, who continues to interject.

The former minister sought to suggest that the EES on Mount Stirling was not welcomed by the local community. I shall quote from an article in the *Mansfield Courier* of 18 May 1994, and there are many other quotes on the government's proposal. Under the heading 'Locals to have say on Stirling - Role for task force in EES' the article quotes Alan Kerr, Chairman of the Mount Stirling Development Task Force, as having stated:

We are pleased that the minister has seen the need to broaden the EES to include a range of scenarios in Mount Stirling ... It is a refreshing change to be dealing with a government department that wants open and public discussion. We look forward to participating in the consultative committee that will guide the preparation of the EES.

Some outrage! Some anger! These are the people whose comments Mr Pullen unfortunately forgot to quote.

Hon. G. H. Cox - He didn't know!

Hon. M. A. BIRRELL - I think that is being unduly generous, Mr Cox. Mr Pullen knew, however he chose to ignore them. The government is conducting a full and independent EES under the system that has worked under all governments, and it is being run by fair people, so there will be input

from the local community. The EES for Mount Stirling is welcomed, fair and reasonable, and it was announced a long time ago. Everyone knows that the only thing that is new is that Mr Pullen has moved the motion so late in the piece that all it has is archival value.

The opportunity for public input and examination of the issues is unique, and it ensures that all the facts about the Mount Stirling development will be laid on the table and everyone can have a say.

The EES process is also recognised as the most comprehensive, rigorous and fairest method of ensuring that people can comment on Mount Stirling's environmental value, and it has been welcomed by the locals. As I said, it has been welcomed explicitly by the very people whom Mr Pullen sought to quote.

He slipped in his speech when he said that the government was 'on track' on the matter. Of course we are! That is why, surprisingly, the issue has had no publicity at all over the past month: because people are pleased with the full EES and the input they can have.

The process is in stark contrast to the approach of the Labor Party to the Mount Stirling proposal.

Today the ALP is portraying itself as the antidevelopment crusader whose only concern is protecting Mount Stirling. Honourable members know, as any cursory analysis of history reveals, the truth of the Labor Party's hypocrisy on Mount Stirling.

It is only a few years ago that the Cain government, of which Mr Pullen was an active member, unveiled its grand vision for a \$250 million ski resort development at Mount Stirling. The Labor Party supported the development and proposed, firstly, a downhill ski run at Mount Stirling 50 per cent larger than that at Mount Bulla; and secondly, a 5000-bed alpine village at River Spur, including a new road up the Delatite Valley and a large car park along the Delatite River.

The third thing the Labor Party wanted was two gondola lifts connecting to both Mount Stirling and Mount Bulla from the new car park. That was its policy, supported and announced publicly by the then Minister for Conservation and Environment. A press release of 27 April 1989 announcing the government's policy was instructive because the

only time it mentioned environment was in the words:

This will create an environment for the private sector to invest in the ski industry with confidence.

It is amazing that opposition members have come into the house wringing their hands about taking a stance on Mount Stirling. It is clearly a preposterous proposition; they have no credibility and, true to form, following their public announcement there was no environmental study, let alone a new comprehensive environment effects statement. The coalition was on the record then as saying there should be an environment effects statement.

The government has put it on the record and has said it all along. Perhaps that is what has surprised the Labor Party: it promised things and did not carry them through. The government promised an EES and it is doing one.

The proposal from the Cain government for a 50 per cent larger ski village at Mount Stirling, a 5000-bed alpine village at River Spur, a big car park along the Delatite River and two gondolas from the new bitumen car park on the river tells honourable members what the Labor Party is all about!

The proposal was never formally abandoned; it was simply left to drift and be forgotten. About the only comment on the record was that they could not find sufficient private investors and the climate was not right for it. They were not talking about the greenhouse effect, they were talking about investors.

Labor is now trying to do a 180-degree backflip. One wonders what it will be saying tomorrow on this question! It supported extraordinary development, did not initiate an environment effects statement process and is now saying that this EES process, despite the fact that it is supported by the people who wish to make a submission in relation to it, is not good enough. In short, Labor's position on the Mount Stirling issue is without a shred of credibility.

By contrast, the government's policy of conducting a comprehensive EES is underpinned by relevant background. First, the views of the Land Conservation Council; in its 1983 alpine area special investigation the council confirmed its 1979 final recommendations for Mount Stirling, which stated in part:

- (a) that it be developed for downhill and cross-country skiing;

## MOUNT STIRLING

822

COUNCIL

Wednesday, 25 May 1994

- (b) that the extent and location of any accommodation facilities be determined only after a detailed study of the available options;

The reviews conducted by the Land Conservation Council - I respect its independence and stature - recommended that Mount Stirling be used in part for downhill skiing. Those views must be noted as background.

Secondly, it should also be noted that the EES proposed by the government will be run by the department of Planning and Development. It will be independent of the Alpine Resorts Commission and of any proponent - that is, the process will be completely at arm's length from those with a direct interest in the future of Mount Stirling. The proposal has received wide acceptance from everyone, except for a couple of honourable members in this chamber, because of its high credibility.

In addition, all honourable members will be aware of the reputation of Dr Robin Saunders of the Department of Planning and Development, who has served Labor and coalition governments alike. Dr Saunders will have primary responsibility for the EES. I take Mr Pullen's attack on the EES process as no more than an attack on the independence of public servants who will continue to do a good job in this area. There is no evidence to indicate that those public servants have not done a good job or that the EES process is anything other than outstanding. Mr Pullen's attack is nothing more than a broad-brush slur.

Further, the EES process will include the appointment by the Minister for Planning of a consultative committee to guide the preparation of the statement. The committee will include representatives from key community groups, the Shire of Mansfield and the relevant Victorian government authorities. In other words, everyone will have a say. It should also be remembered that the government's decision to conduct the EES process is fully consistent with its comments when it opposed that it would conduct such a process. The government is delivering on that commitment.

Finally, the government has also announced the appointment of a review panel to thoroughly review the performance of the Alpine Resorts Commission.

**Hon. B. W. Mier** - That is a good idea.

**Hon. M. A. BIRRELL** - It is a good idea, and the government believes the review will be of great

value. Such a review was not undertaken by our predecessors and the initiative is welcomed.

The panel will be chaired by Mr Bill Russell, a partner in Price Waterhouse, chartered accountants. The other member will be Dr Leo Teller - an independent natural resource consultant of significant international standing. The terms of reference have been widely publicised and I do not consider it is necessary for me to outline them now. However, I shall be happy to do so if that is requested.

The government is satisfied that the best way to plan for Mount Stirling is to consider all options in the framework of a comprehensive environment effects statement. By amending the opposition's motion the government is indicating that it strongly supports the independence of the EES process and believes that the views expressed in the debate would be better put, if any individual member or group of members wishes to do so, as submissions in the EES process.

The best way of dealing with the motion is to indicate the unanimous view of the house. I hope it will be unananimously decided that the EES process should be supported; if not, let members of the Australian Labor Party indicate why, which they have not done to date, and point to any problem with the process. In fact, no-one has criticised the EES process or the need for it because it is a process that has worked under all governments.

If the opposition is intent on pre-empting the environment effects statement in the way it is attempting to do today, it is clearly dropping any claim to being a credible alternative government, let alone a political party that puts forward a consistent view on the future of Mount Stirling.

The opposition clearly fears the facts, and the independent inquiry that is being embraced by everyone else. On the other hand, the government has no hesitation in considering all the facts and the views of the community, and leaving advice on the decision to an independent body. The government's approach will ensure that the views of interested local people are taken into account fully and are properly considered, and that any future development of Mount Stirling is in the best interests of the Victorian community.

The opposition's motion and the introductory speech on it lack merit, credibility and consistency.

The government's amendment can be seen only as meritorious.

Government members - Hear, hear!

Hon. B. W. MIER (Waverley) - I support the motion moved by Mr Pullen. For the better part of my life I have been an active skier and a supporter of skiing in Victoria and Australia. My skiing activities have been less frequent in recent years but I still spend a day or two in each season in the snowfields. Most of my skiing has been done at Mount Buller which, as all honourable members know, is the nearest ski resort to Melbourne and provides facilities for day skiing. One can travel to Mount Buller, spend time on the slopes and travel home in a day.

My background has made me an enthusiastic supporter of the development of skiing in Australia and particularly in Victoria. I have never opposed the development of new ski fields or extension of existing ski fields. I recall Mount Buller in the early days before a chair lift was installed, let alone pomas or T-bars, when there was only one rope pulley to take skiers up the Bourke Street slope. At that time there were only a dozen or so clubs and one licensed restaurant on the mountain. Since those days tremendous development has taken place and the facilities have been enjoyed by thousands of Victorians.

Although I have never previously opposed development of skiing in Victoria, I have always had reservations that such development should take place in appropriate areas. We must consider whether Mount Stirling is an appropriate area in which to further develop skiing in this state. It is my considered opinion that it is not appropriate for development. Firstly, Mount Stirling has a lower elevation than Mount Buller and therefore receives less snow. For that reason downhill or alpine skiing has never been a real issue there until recently. It has been raised recently because of the development of artificial snow-making equipment. That modern and expensive development uses considerable volumes of water - one of the reasons I am opposed to the development of downhill or alpine skiing in the Mount Stirling area.

Already the waters of the Delatite River are dammed and used for feeding the facilities at Mount Buller. It is the water supply for Mount Buller and provides for sewerage and the general requirements and infrastructure associated with the development of a professional ski resort. I see

artificial snow-making equipment eventually being installed at Mount Stirling. The absence of enough snow to provide for alpine or downhill skiing will require that it be manufactured, which will result in a further demand on the waters of the Delatite River.

That brings me to another personal interest of mine: fishing. Over many years I have had an extremely close association with both fresh and salt water fishing. I was the government's representative on the Victorian Recreational Fishermen's Advisory Council (VRFAC), which was represented by all organisations associated with amateur fishing. Much concern has been expressed by the amateur fishermen, or fisherpersons -

Hon. G. R. Craige - Don't you dare - fishermen!

Hon. B. W. MIER - Fisherpersons of this state. For those who do not realise it, the Delatite River is renowned as being the best trout stream in mainland Australia - there may be a few in Tasmania, but as far as the mainland is concerned, the Delatite is the best.

An Honourable Member - No!

Hon. B. W. MIER - The Delatite is the best!

*Honourable members interjecting.*

Hon. B. W. MIER - A traditional fishing argument is developing, but that is my opinion and the opinion of a host of amateur fishermen. I use dry and wet flies and live bait, like most of us.

I am concerned that the installation of a downhill skiing facility at Mount Stirling and the consequential installation of artificial snow-making equipment will place tremendous pressure on the water and the flow of the Delatite River. That in turn will also affect the large number of people in the community associated with amateur fishing.

For those reasons I support the motion. In doing so I also refer to the amendment moved by Mr Birrell. I would have thought it would have been more appropriate to be in the form of an additional clause or addendum to the motion.

I guess no-one could really oppose the amendment. Nevertheless, the government should support the motion, which would be a better approach than supporting the amendment moved by Mr Birrell.

In my opinion Mount Stirling should not be developed as a downhill alpine ski resort and should remain the facility it is today for Victoria - that is, a popular cross-country ski and bushwalking resort and a nature study area, popular among naturalists.

Hon. G. R. CRAIGE (Central Highlands) - I support the government's amendment to this motion. Is it interesting to note who is currently absent from the chamber, and has been since Mr Mier got to his feet - Mr Pullen, the man who moved the motion with so much energy and had so much to say. He left the chamber and is not even present! That clearly indicates the position of opposition members on this matter; it is truly illustrative of their feelings.

I respect Mr Mier greatly for what he has said because he has a great deal of knowledge about skiing and, more importantly, fishing, an interest I share with him. He reflected the true position. Once again, Mr Pullen looked in the wardrobe this morning, found the possum suit, put it on and decided to swing from tree to tree. It became a big issue - 'I will hop on the bandwagon and join in'.

I will take us back through history. Before doing so, however, I will briefly comment on something called hypocrisy and credibility. The opposition has no credibility at all in moving this motion. I will refer to documents of 1988 and 1989 and clearly place on the record the government's position - not the Alpine Resorts Commission position - at that time.

Mr Pullen, Mrs Hogg and Mr White, members of the opposition front bench today, were all members of the government cabinet during 1988 and 1989. I will outline some of the occurrences which lead to the development of a strategy. Mr Pullen can try to walk away from that, but he was a part of the process - I acknowledge that he said he was a part of it - that took place and the statements that were issued.

At the outset, one must doubt the credibility of the opposition because those members on the front bench today were members of cabinet when the government of the day decided to enter into a development on Mount Buller and Mount Stirling.

The first document - which I know Mr Pullen has read with interest - is the summary report of Mount Buller-Stirling alpine resort development strategy prepared in 1989. I briefly refer to some of it. On page 5 of that document, paragraph 2.2 states:

... the state government decided that Mount Stirling should be developed as a cross-country and alpine skiing resort with village accommodation.

It is clear; no doubt about it. At the front of the report it is stated that the state government had already made that decision - not the Alpine Resorts Commission.

The document which dealt with the Mount Buller and Mount Stirling development strategy and which was released in September 1989 for comment was preceded by the then Labor government cabinet reaffirming its policy that Mount Stirling should be planned and developed as an alpine and nordic skiing resort with an above-snowline ski village.

Clearly the government and cabinet had already made a decision to develop Mount Stirling before it went down that track, because this report was released in September 1989 and the report states that the then government had already made that commitment.

The press release issued by the then Minister for Tourism, Mr Crabb, on 27 April 1989 confirms that the government had already made a clear decision about redeveloping Mount Stirling, including plans for villages, an excessive car park, downhill skiing facilities and gondolas. We must not forget the two gondolas. The press release states:

I expect the government will consider contributions from the public in September/October before formally endorsing the plans ... We should be ready by the end of the year or early next year to call for expressions of interest from the private sector to take up parts or all of the developments proposed for Mount Buller/Mount Stirling.

Obviously the decision had been made. A letter dated 5 December 1989 and addressed to Ms P. Davidson of the Stirling Delatite Action Group, from Mr Grose, the Chief Executive Officer of the Alpine Resorts Commission, states:

Prior to the establishment of the Alpine Resorts Commission the Land Conservation Council carried out a review and made recommendations on the future use and management of Victorian alpine public lands. The government subsequently endorsed the council's recommendations. In particular, these recommendations included the reservation of Mount Stirling for future development as an alpine resort.

The Labor government had already committed itself to the development. The letter continues:

In 1984 the Alpine Resorts Commission was established as the government agency responsible for the planning and management of Victoria's alpine resorts. In accordance with the government's decision on Mount Stirling and its duties and responsibilities under the Alpine Resorts Act, the commission engaged consultants for the preparation of the Mount Buller-Stirling development strategy.

The link is clear. The government of the day had made its decision even before obtaining a strategy report. It was merely adding the public consultation it felt it had to undertake. The consultants who were engaged to develop the strategy plan were Ecosign Mountain Recreation Planners from Whistler in British Columbia and, from New South Wales, the MSJ Group and Sinclair Knight and Partners. In describing the complex as fantastic, Paul Matthews, a consultant from Ecosign, is quoted in the *Mansfield Courier* of September 1989 as saying:

With the two mountains tied together with gondolas, two villages and the quality of skiing that you can have on Mount Stirling, that resort is really going to blow some of them in Australia away, in my opinion Stirling is a world-class mountain for alpine skiing.

But the government had already made its decision. Mr Matthews continues:

We use seven skier levels and come up with a bell curve distribution and there are very few sites that ever hit it - they have some flaw - not enough intermediate or novice or high intermediate terrain. Stirling is one of the few where the computer graph of the terrain is a straight reflection of the skier market. Those kinds of mountains are pretty rare - God didn't make many of them.

The Labor government not only supported the development of Mount Stirling but it also went into details. The Chairman of the Alpine Resorts Commission, Mr Richard Green, said that a site for the village on Mount Stirling had been selected. The government had taken pains to select a site. Further, Mr David Fetterplace, the manager of the commission's planning division, said in the *Mansfield Courier* of August 1989 that:

... the government is committed to developing the ski resorts on Buller and Stirling.

Honourable members should not forget that the strategy was released in September 1989. In August 1989 the newspaper asked:

Have private developers shown interest?

The answer given was:

There have been a number of expressions of interest.

The government had gone out to see who was in the field, tested the market and brought in people from overseas to draw up a strategy; then the strategy went to cabinet and was approved. However, at no stage did the then government mention an environment effects statement. The pollution of the Delatite that such a development could have caused would have been horrific, but no mention was made of that. I do not need to go over the matter because Mr Pullen was a member of the cabinet at the time and would know that the government had made up its mind.

The minister is quoted as saying in August 1989:

Naturally there will be variations as negotiations proceed, but we believe that the concept is fundamentally right.

The credibility of the opposition's motion is zero and Mr Pullen, who moved the motion, has no credibility. In 1988-89 he was party to the government's decision to redevelop Mount Stirling and knew of the plans. He has not interjected because he knows very well that he was a member of the cabinet when it made that decision - without the proper process of full consultation which the present government is undertaking. The then government had made up its mind before the report was released in 1989.

It was interesting that Mr Pullen left the chamber during Mr Mier's contribution to the debate. I think there was some sensitivity about the fact that Mr Mier was making a more impassioned and credible case. The motion has no credibility, and neither did Mr Pullen's remarks.

The government is embarking on a proper and due process. It is an open process and the local community will have access to it. The former government had already made up its mind on the issue. The expressions of interest had been to cabinet. It wanted a village, gondola lifts and a car park for 5000 cars and it wanted to build a road at any cost.

The government is dear in its objectives for the initiatives. The environment effects statement (EES) will be an open and proper process; everyone will be free to make submissions. The Minister for Conservation and Environment has already indicated that we will go one step further and review the Alpine Resorts Commission. Things are changing and the government wants to change with the times. It wants to develop a vision as to where it is going with ski resorts and the industry generally. The industry makes a significant contribution to tourism and to the Victorian economy.

The government believes it should review the Alpine Resorts Commission, which is being conducted in an open and fair way. Submissions are being made, consultation is taking place and inquiries are being carried out. The government has a different attitude to the former government. It is seeking proper input into the process. It has embarked on the EES process and it will continue to go down that road so that all opinions are taken into account - not as was the case with the former government, which had already made its decision and was well and truly entrenched in developing Mount Stirling at any cost.

The inconspicuous shadow minister has moved an inappropriate motion that is behind the times. The horse has bolted! The road that the government is taking is a clear and open process. I have great pleasure supporting the amendment moved by the minister to the opposition's motion.

Hon. PAT POWER Oika Ji.ka) - I support the motion moved by Mr Pullen and oppose the amendment moved by the Minister for Conservation and Environment. I listened with interest to the contributions made by government members but I am still awaiting the contribution of a National Party member on this important issue that affects country Victoria. The minister and Mr Craige appear to hang their arguments on the situation under the former Labor government, which had a proposal for Mount Stirling that appears remarkably similar to that which the Minister for Natural Resources, Mr Coleman in another place, announced some months ago. I understand from their comments that the minister and Mr Craige were opposed to the proposals that were foreshadowed by the former Labor government and I take it they are opposed to the initiatives foreshadowed by their colleague, Minister Coleman, for Mount Stirling.

I shall not make a lengthy contribution today but I will take the opportunity to say that this issue is

important to all Victorians. I am sure Mr Craige, and Mr Stoney in particular, understand that it is important to those who live in the local region. It is a critical issue for them because any development - certainly any major development - will have a serious impact on the amenities, lifestyles and aspirations of all the local community.

I also want to highlight a matter in respect of the government's amendment. I am not aware when Minister Coleman made his announcement, or allowed his preference to be leaked through the press, that there was any undertaking from him or the government that the EES, which the amendment moved by the Minister for Conservation and Environment so strongly makes a commitment to, was referred to at that time. It is my understanding that the announcement or information made available by Minister Coleman did not contain any commitment by the government to an EES being paramount before any decision was made.

I understand from the comments made by the minister and Mr Craige about the proposals made by the former Labor minister, Mr Crabb, that it seems that there are remarkable parallels. I understood that the minister and Mr Craige were opposed not just to that proposal by the former Labor minister, Mr Crabb, but also to the proposal made some months ago by Minister Coleman.

It is clear that substantial community alarm exists both locally and across the state. If an EES had been proposed at the time of the announcement by Minister Coleman I suspect the local members, such as Mr Stoney and Mr Craige, would not have been subject to as many representations from their constituents as they were.

I welcome the motion moved by Mr Pullen especially in respect of paragraph (b), which I believe is consistent with the views expressed by the minister and Mr Craige about the proposal by the former Labor government and certainly in respect to paragraph (c), which deals with the future of areas such as Mount Stirling. I do not have detailed knowledge of the region like Mr Stoney and his family do, but I believe that areas such as Mount Stirling and Lake Mountain have a capacity to contribute to recreation activities in ways that are more helpful than the proposal put forward by Minister Coleman some months ago.

Mr Pullen's motion is consistent with the views of community groups and individuals with respect to Minister Coleman's proposal and in that sense

Mr Pullen has carried out his shadow responsibilities by moving the motion. He has presented the community's views about what was clearly a major announcement.

If the government's amendment had been at the front of Minister Coleman's announcement all those months ago we would not have experienced all this anxiety and tension. Mr Pullen's motion refers to the important issues of environmental education, cross-country skiing, bushwalking and camping, trail riding - about which I am sure Mr Stoney is well aware - and the important and, I think, emerging area of ecotourism.

The comments made by the Minister for Natural Resources and Mr Craige when they were in opposition about a proposal of the former government emphasised that a major development on Mount Stirling by a large, well-funded entrepreneur would place at risk the growth opportunities local people might otherwise enjoy through participation in such a project.

I encourage government members to pay particular attention to the detail in paragraph (c) of Mr Pullen's motion; it emphasises the opposition's understanding of regionalism. Mr Pullen's proposals will involve the participation of local people. They will provide growth in a section of the tourism industry - ecotourism - that is becoming increasingly important throughout Australia and the world. It is an area in which many jobs will be created.

Small business will play an important part in Australia's future economic and tourism growth, especially ecotourism growth, which will allow local people - be they farmers, existing business people or people contemplating moving out of their current employment into alternative employment - to become involved and gain employment. That will be particularly so if they receive assistance from TAFE programs and other upskilling that enables them to start new local businesses to keep the dollars ticking over in their communities.

I support the comments made by the minister and Mr Craige about a proposal of a previous government. They said that if the project were undertaken by a large entrepreneur, local labour would not necessarily be employed and materials would not necessarily be purchased locally. Nevertheless those comments are absolutely consistent with the spirit of Mr Pullen's motion, which seeks to avoid a structure that rewards an

entrepreneur who may not use local labour or purchase materials locally.

Paragraph (c) contrasts the opposition's viewpoint **with the big, entrepreneurial attitude of the Kennett** government. Regardless of whether it is the grand prix, casinos or developments on Mount Stirling, the government is anxious to reward large entrepreneurs - no pun intended. That contrasts with the attitude of the opposition, which seeks to treat these matters as regionalism issues. It prefers a structure and a process that ensure local people participate in the local opportunities for employment and economic growth.

Mr Pullen's motion is very appropriate. I reject any suggestion that the issue of Mount Stirling is not paramount in the community. Rather than being moved in Parliament today, the minister's reasoned amendment should have been the lead paragraph in the announcement made some months ago by the Minister for Natural Resources. If that had been the case we would not have had all these months of tension.

**Hon. E. G. STONEY** (Central Highlands) - I support the excellent amendment moved by the Minister for Conservation and Environment and I suspect that, in his heart, Mr Mier does, too. It was interesting to listen to today's debate; obviously Mr Pullen has changed his spots since 1989. After listening to him, I thought to myself, 'Why on earth are we here?'. This is the wrong forum for such a motion.

Let us consider what has happened during the past few months. In a democracy issues wax and wane - they come and go as information comes to hand. In the case of Mount Stirling there has been a progression of events. At first a point of view surfaced in favour of downhill skiing. That is fine; that is how a democracy works. At that stage the government had not reached a view. The community thought about it and said to the government, 'We want you to consider all the options for Mount Stirling'. The government listened to the community and decided on two things: firstly, that it was a good time to review the Alpine Resorts Commission and, secondly, that it would instigate an environment effects statement on all the options for Mount Stirling's future. Therefore, the house should not be debating Mr Pullen's motion, which asks it to interfere with two independent processes. That is why I support the reasoned amendment of the Minister for Conservation and Environment.

Mr Pullen, I am sorry to say, is totally out of date. I am not interested in history; I am interested in the future and I am very comfortable with the processes that are now in place to deal with Mount Stirling. Victorians understand that the present process has integrity. It has been a progression. I shall quote from a press release dated 30 March headed, 'A commitment to due process is no surprise on Mount Stirling':

A rigorous process of consultation and examination would precede any decision on the future of Mount Stirling, conservation and environment minister, Mark Birrell, confirmed in Parliament this week.

You all heard him. It continues:

The minister was responding to speculation during the week that the government was committed to a particular outcome on the mountain.

'The government has made no decision on Mount Stirling and is not committed to any particular outcome' Mr Birrell said.

So on 30 March this year the government was not committed to any course of action on Mount Stirling. It continues:

I anticipate that a full environmental effects statement will be undertaken before any decision is made by the government, let alone any government agency,' he said.

It is clear that the government was listening. What happened next?

On 5 May the Minister for Planning, Rob Maclellan, who has never said anything other than that there would be an environment effects statement, wrote to Dr Alan Kerr, the Chairman of the Mount Stirling Development Task Force. The members of the task force were elected by the community at a public meeting. It is not a self-appointed body but a group of people with integrity. The minister states:

This EES will cover a full range of options including: do nothing; improve existing cross-country skiing facilities; promote ecotourism opportunities; and undertake comprehensive skiing development involving downhill and cross-country skiing.

I would encourage you to put forward your proposals so that they can be considered in the EES.

Mr Pullen cannot do better than that. How did Dr Kerr respond to the letter? On 15 May he wrote to

Mr Robin Saunders and Mr Ashley Stephens, two public servants of high integrity, after he and a local solicitor had travelled to Melbourne and met planning officials to ensure that everything was on track. In his letter Dr Kerr said:

Martin Hunt and I found it most refreshing talking to a government department that seems keen to have broad based open and public discussion.

We now have a much clearer understanding of the processes involved in the EES for Mount Stirling and we look forward to participating in the consultative committee.

If that does not demonstrate that the community is comfortable with the process and believes it has integrity, I do not know what does. It certainly makes me comfortable as a local member. Earlier in the debate the opposition said that I was uncomfortable and impotent, which I am not sure my wife would agree with. I do not feel that way either.

Hon. M. A. Birrell - What about your kids?

Hon. E. G. STONEY - My four children would also agree with me.

The news release of the Honourable Mark Birrell of 30 March also states:

'The Cain government supported a massive development on Mount Stirling including a road up the Delatite Valley, a 4000-bed village on top of the mountain and a large car park alongside the Delatite River,' he said.

'These proposals were proudly promoted by the former government,' he said.

Hon. G. R. Craigie - Mr Pullen was one of them.

Hon. E. G. STONEY - I will visit that in a moment. Following the Land Conservation Council report in about 1983, before, I think, the Alpine Resorts Commission was formed, the then Forests Commission and the government were promoting a village comprising about, I think, 2000 beds to be located half way between the cricket pitch on the northern side of Mount Stirling and the Geelong Grammar hut, with ski tows, ski runs, access roads and the lot.

In 1989 the former government was at it again. It proposed a road up the Delatite Valley, two

gondolas, ski tows and a 5000-bed village, but the development did not go ahead because there was no backer. The critical point is that Mr Pullen was a member of the Cain cabinet at the time - a cabinet that did not ask for an EES. The development was just going to proceed.

I remind the house of the progression of the debate since then. The coalition government looked at all sides of the issue and facts started to emerge. When it discussed matters with the community it discovered more facts. I refer the house to the news release of 21 April issued by the Minister for Natural Resources. The following facts influenced the Department of Conservation and Natural Resources to go through a process, which is part of our democracy. It states:

However, growth in visitor days has not met government expectations and a greater emphasis on out-of-winter tourism may be able to achieve this.

They looked at the facts, instigated a review of the commission and decided on an EES. It is not only independent, but also historic because it will be the first time that the Department of Planning will be the proponent. How much more independent can one be? It is a totally independent process and one that I fully support.

The consultative committee that will be formed to investigate the EES will be balanced and will comprise representatives from government departments, downhill interests, anti-downhill interests, nordic interests and representatives of Mansfield who have special expertise, experience and understanding of the local issues. Everyone will have a say.

Therefore, I inform Mr Pullen that he is behind the times. He has misread what is happening. It is not appropriate to debate the matter in the chamber now. I suggest to Mr Pullen that he could prepare a submission based on his motion to be investigated by the consultative committee under the EES and stop wasting the time of the house.

Hon. B. T. PULLEN (Melbourne) - The opposition does not accept the government's amendment to the motion. It believes it has put forward substantial arguments in support of the motion. The government has not given the opposition any confidence that it is unwilling to proceed with a downhill skiing development on Mount Stirling, which will require inappropriate infrastructure on the mountain. Despite what

government speakers have said, it is clear that the Labor Party is not in favour of a downhill development on Mount Stirling.

When submissions in support of that proposal were made they were rejected by the former Labor cabinet. At the last election, when both parties were asked about their position on Mount Stirling, the Labor Party clearly said in writing that it was not in favour of downhill skiing development on Mount Stirling.

Hon. G. R. CRAIGIE - If it is in writing, give us a copy!

Hon. B. T. PULLEN - The coalition failed to answer the question. It is quite clear where the Labor Party stands.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - On a point of order, Mr Deputy President, the rules of debate should be well known to Mr Pullen. In his restricted brief right of reply he is not able to introduce new material.

Hon. B. T. PULLEN - I am replying to matters raised in debate.

Hon. M. A. BIRRELL - No, you are trying to introduce new material by relying on an alleged document which reveals the former government's position on Mount Stirling. I make it quite clear that the government will give Mr Pullen leave to table the document, if it exists; otherwise I ask you, Mr Deputy President, to remind the honourable member that he is not allowed to introduce new matters that have not been referred to at any stage of the debate. It looks as if he is now making it up.

Hon. B. T. PULLEN (Melbourne) - On the point of order, Mr Deputy President, before the last election conservation groups raised several issues with both parties. It is a matter of record that the Labor Party decided not to agree to the development on Mount Stirling.

The DEPUTY PRESIDENT (Hon. D. M. Evans) - Order! I believe Mr Pullen is now debating the issue. Although I was not in the chair for the whole debate it appears that Mr Pullen is not prepared to defend the point of order raised against him. If the issue had not been raised earlier in the d e b a t e - -

Hon. B. T. PULLEN - It has been raised.

The DEPUTY PRESIDENT - Order! If Mr Pullen says the matter has previously been raised in debate and is prepared to read from the document relating to that matter he may do so. Otherwise I ask him to proceed with his response.

Hon. B. T. PULLEN - I do not have the document with me but I am happy to provide it to the house.

The DEPUTY PRESIDENT - Order! There is no further point of order. I invite Mr Pullen, who has made his point, to continue.

Hon. B. T. PULLEN - The second point is that the motion is entirely in line with the desires of the local people. I have spoken to them; the amendment is a second-best position for them. They are asking for a clear sense of direction. They do not want to go through a prolonged process where they cannot anticipate the outcome, where they may be outmanoeuvred by the government's methods and by people with more resources.

The motion clearly identifies the wishes of the locals - that is, that there should be a clear statement from the house that downhill developments and the sorts of development in the statement made by the minister are ruled out. Once that is done, I am sure the local people will be happy to work with the government on a process of examining the most sensitive and environmentally protective methods of developing Mount Stirling.

Locals do not want that government/Grollo development or option to remain open. They do not trust the government's use of processes. They were forced to take out an injunction against the government even to get some process established.

The third point is that, through documents made available under freedom of information, it is known that a departmental officer has seen an environment effects statement as something to be used as a window of opportunity to fit the timetable of developers' construction needs and to be used for tactical advantage. That information was obtained from the Department of Planning and Development.

The government has already sown a severe doubt in the minds of Victorians about whether the process can be manipulated. That is enough to show that the intent of my motion matches closely the desires and needs of the local community and those concerned about the future of Mount Stirling. The government's amendment is an attempt at

window-dressing and to back off in the most graceful way possible, having been caught out by the local community, and having been forced by the injunction to go through an unintended process. Now the government is simply trying to recover ground. The government's response is totally inadequate. If it were genuine, it would have ruled out the type of development opposed by the people and would have introduced a process to establish acceptable options with the community.

The opposition would have supported a process which involved the community had the government ruled out options which have clearly been identified as unsatisfactory. The government has not chosen to do that. It is keeping open the option of a totally inappropriate development of Mount Stirling. The opposition rejects the amendment.

House divided on omission (members in favour vote no):

*Ayes, 13*

Davidson, Mr (Teller)  
Gould, Miss  
Henshaw, Mr (Teller)  
Hogg, Mrs  
Ives, Mr  
Kokocinski, Ms  
McLean, Mrs

Mier, Mr  
Nardella, Mr  
Power, Mr  
Pullen, Mr  
Theophanous, Mr  
White, Mr

*Noes, 27*

Asher, Ms  
Ashman, Mr  
Atkinson, Mr  
Best, Mr  
Birrell, Mr  
Bishop, Mr  
Bowden, Mr  
Bridson, Mr  
Connard, Mr  
Cox, Mr  
Craigie, Mr  
Davis, Mr  
de Fegely, Mr  
Forwood, Mr

Guest, Mr  
Hall, Mr  
Hallam, Mr  
Hartigan, Mr  
Knowles, Mr  
Skeggs, Mr  
Smith, Mr  
Stoney, Mr (Teller)  
Storey, Mr  
Strong, Mr (Teller)  
Varty, Mrs  
Wells, Dr  
Wilding, Mrs

*Pair*

Walpole, Mr

Baxter, Mr

Omission agreed to; insertion agreed to.

Amended motion agreed to.

## LOCAL GOVERNMENT RESTRUCTURE

Debate resumed from 27 April; motion of  
Hon. PAT POWER (JikaJika):

That this house condemns the government for its  
Unsatisfactory management of local government  
change, particularly:

- (a) removing the voice of democratically elected  
representatives;
- (b) destroying the independence of local government;
- (c) threatening the nature and quality of services and  
programs and the jobs of those who deliver them;  
and
- (d) placing in jeopardy the integrity of planning and  
development processes and decisions;

and for alienating the local government industry and  
the general community through a program of change  
based on forced amalgamations, destruction of  
democracy, administration by commissioners, and  
failure to give a commitment to conducting early  
elections in all new municipalities.

Hon. R. S. IVES (Eumemmerring) - To refresh  
the memory of honourable members, the debate on  
local government restructure is based on a  
comprehensive and all-embracing motion. I plan to  
limit my contribution particularly to paragraph (d),  
which refers to the government's:

... placing in jeopardy the integrity of planning and  
development processes and decisions.

I shall draw on illustrations and examples from the  
Dandenong Ranges, an area that I consider to be of  
statewide significance. Because they form part of  
Eumemmerring Province I am better acquainted  
with the Dandenong Ranges than I am with many  
other parts of Victoria. The real threat that  
restructuring poses to the integrity of planning and  
development processes and decisions in the  
Dandenong Ranges can be repeated time after time  
by my colleagues with examples from their own  
electorates; so I shall refer to a particular case to  
illustrate a general theme. The Dandenong Ranges  
are an important and particular case. The Minister  
for Local Government should be aware of the  
situation in the Dandenong Ranges so that he can  
consider what powers he can employ to safeguard  
them during any restructuring process.

The southern Dandenongs are encompassed,  
protected, fostered and managed by the Shire of  
Sherbrooke. The area is a state treasure. If all the  
treasures in the area are to be maintained for the

benefit of all Victorians, including future  
generations, tight, all-encompassing and restrictive  
planning policies are required.

During the past 18 years or so, the importance of the  
area has been well recognised by many, including  
the Liberal governments headed by Premiers Sir  
Henry Bolte and Sir Rupert Hamer and the Labor  
governments headed by John Cain and Joan Kirner.  
Among the many other individuals and  
organisations that have been concerned to preserve  
the area are the National Trust of Australia, the  
Upper Yarra Valley and Dandenong Ranges  
Regional Authority and the Shire of Sherbrooke, as  
well as a number of independent planning panels.

As a result today the Shire of Sherbrooke has the  
most thoroughly and publicly debated and widely  
consulted-on, documented and most comprehensive  
and detailed regional planning scheme ever  
introduced in the state. I refer to planning  
scheme L61, which was some 10 years in the  
making. L61 includes planning controls which are  
somewhat tighter than those in neighbouring shires  
and municipalities but which can be justified  
because of the environmentally sensitive and  
delicate nature of the temperate rainforest of the  
Dandenongs.

From the 1976 Upper Yarra Valley and Dandenong  
Ranges Authority Act, which was sponsored by the  
vision of the Honourable Bill Borthwick and Sir  
Rupert Hamer and which envisaged that the main  
protection for the Dandenong Ranges would come  
from a strong regional strategy plan, to the  
1994 south-eastern growth area hinterland impact  
study conducted by the Upper Yarra Valley and  
Dandenong Ranges Authority and the Westernport  
Regional Planning Commission, there has been an  
almost bipartisan and general acceptance of some  
common guidelines for the environmental  
preservation of the Dandenongs. They include: the  
recognition of the Shire of Sherbrooke's unique  
position; the protection of areas of high  
environmental significance from urban expansion;  
and no net increase in the total provision for  
residential development in the Dandenong Ranges  
and no significant increase in the southern foothills.  
The accumulated effects of one-off developments  
must be avoided; and the character and identities of  
the towns and settlements throughout the  
Dandenongs must be protected as they further  
develop.

The principles of environmentally sustainable  
development have become more important given

the pressure of population growth in the south-eastern growth corridor. It is estimated that during the next 20 years the growth corridor's population will increase by 100 per cent or somewhere in the vicinity of 270 000 people.

Finally, by way of introduction I stress that L61 is not a purist's document. It represents 10 years of robust debate and dissension. The final document is a compromise reached by an almost innumerable host of players and authorities. At the end of the day L61 is a publicly hammered out and agreed on compromise. It represents the final outcome of the battles waged within and among the Shire of Sherbrooke, the regional planning authority and independent and public planning panels.

I have heard environmentalists speak angrily about the possibility of used caryards being established at Belgrave and about the small size of the lots finally agreed on in scenic valleys. I have heard developers mutter about development being frozen for all time. However, L61 is a plan that nearly all the significant groups felt they had a stake in. Even though none was joyful, all felt they could live with the result. L61 is considered to represent a significant achievement which substantially provides for the protection of the unique state treasures of the Dandenong Ranges.

The balance reflected in L61, which, as I have said, is a publicly agreed on compromise that was reached through the observance of the integrity of the process, appears to be at risk because of a number of interrelated considerations. The first is the prospect of a local government amalgamation or restructure, with the proposed appointment of commissioners.

I shall now have to choose my words carefully. The second consideration relates to the recent idiosyncratic and wilful decisions on sensitive planning issues, almost in defiance of L61, the regional planning scheme. The Minister for Planning in the other place, Mr Maclellan, has made those decisions in the privacy of his office. They appear to be the thin end of the wedge. The decisions have created dangerous precedents, and their implementation could result in a virtual flood of amendments to the planning scheme by commissioners or restructured councils.

Concern has also been expressed about the possibility that the plan to create large councils will result in decisions that go against the best interests of the preservation of the Dandenongs. People are concerned that, if the area is to be part of a larger

council, the lowest common denominator in planning requirements and restrictions will be applied as a result of which the Dandenongs will not be given adequate protection.

Concern has also been expressed that the present government is actively maligned towards and dismissive of the values and considerations that have guided the preservation of the Dandenongs since the days of Sir Rupert Hamer and Bill Borthwick. Ibis will further stack the deck against any proposals put forward by the Shire of Sherbrooke during the restructuring process.

Recent decisions by the Minister for Planning on amendments to L61 follow a similar pattern. Disgruntled landowners who previously publicly argued their case before the council, the regional authority and independent panels and who usually achieved a satisfactory compromise as a result of those efforts have now individually and directly approached the Minister for Planning, who has decided in their favour in the privacy of his own office, usually without public exhibition and sometimes in contradiction of a recent decision made by the same minister. Over the past couple of weeks the Minister for Planning has dropped some 19 amendments to L61, well over half of which represent very significant contraventions of the regional planning scheme.

In the case of the well-publicised Lysterfield Valley land, which has not been zoned residential since 1981 and was supported as appropriate for rural zoning by four panel hearings since then, what has been the response of the Premier? *The Trader* of Tuesday, 17 May, reported the Premier at a meeting at Monbulk as saying:

Mr Kennett defended the rights of Lysterfield landowners, which he said were being overlooked.

'There are many who argue that the changes made in about 1988 in terms of removing the urban desecration which had been in place since 1980 treated very unfairly those people who had made investments in good faith.'

'I'm talking about those people who happen to be citizens who have equal rights' said Mr Kennett.

It is reasonable to ask why the same consideration has not been given to those thousands of people who felt and who could have rightly believed they had made a secure investment in their careers but whose hopes have now been blasted by the actions

of the government and who now face the unemployment scrap heap or completely downgraded working conditions. I refer in this category to school teachers, public servants, kindergarten teachers, persons covered by Victorian industrial relations legislation and local government employees.

Hon. ROSEMARY VARTY (Silvan) - On a point of order, Mr Deputy President, Mr Ives is launching into a different debate that has no relevance to the issue we are debating.

Hon. R. S. IVES (Eumemmerring) - On the point of order, Mr Deputy President I remind the house of the motion moved by Mr Power on Wednesday, 27 April:

That this house condemns the government for its unsatisfactory management of local government change, particularly:

- (a) removing the voice of democratically elected representatives;
- (b) destroying the independence of local government;
- (c) threatening the nature and quality of services and programs and the jobs of those who deliver them; and
- (d) placing in jeopardy the integrity of planning and development processes and decisions;

and for alienating the local government industry and the general community through a program of change based on forced amalgamations, destruction of democracy, administration by commissioners, and failure to give a commitment to conducting early elections in all new municipalities.

I have suggested that rightly or wrongly there is a suspicion and a concern that many of the values and principles that have guided the preservation of environmentally sensitive areas in the Dandenongs are at risk, as illustrated by that motion.

The DEPUTY PRESIDENT - Order! There is no point of order at this stage. Mr Ives is giving an example from other fields of activity on the point he wishes to make about local government. He is entitled to do that briefly, but should return to the general thrust of the motion, which he read adequately.

Hon. R. S. IVES - There is a difference in judgment about and concern for the small number of affected landowners in the Dandenongs and the situation facing the greater mass of the population

whose future and financial security will be affected by the actions of the government.

The fear is that, now that the integrity of the planning scheme has been grossly breached and the precedent has been set for continual one-off developments under commissioners and an unsympathetic restructured council, the regional planning authority will probably be abolished. The Dandenong Ranges, and therefore all Victorians, are likely to pay a heavy price for this restructure.

I appeal to the Minister for Local Government, as I said at the beginning of my contribution to the debate, to consider ways the Dandenongs can be safeguarded from these very real, long-term threats in any restructuring process.

Hon. W. A. N. HARTIGAN (Geelong) - I oppose the motion. Mr Ives's contribution to the debate was an unjustified attack on the Minister for Planning and actions he has already taken concerning an existing council that has operated under a planning scheme for some time.

I enjoy the Dandenongs but I am prepared to admit that I am not as knowledgeable on the planning issues as is Mr Ives. If he is concerned about the impact local government amalgamations might have on that particular part of the state, he and the people he is concerned about should ensure that their views are expressed in a detailed and forceful way to the Local Government Board.

My experience is with the Geelong area. The abolition of the Geelong Regional Commission has not adversely affected the area, it has enhanced and accelerated planning activity.

Hon. Pat Power interjected.

Hon. W. A. N. HARTIGAN - I shall get to that. I will not forget you. I have never been happy with the Geelong Regional Commission, as opposed to the people who worked in it. It was established for the wrong reasons in the first place. From my perspective, the experience in Geelong is that the amalgamation that brought about the elimination of the Geelong Regional Commission has been beneficial. I do no more than make that point, rather than commenting upon what might happen in a situation not yet under review.

The points made by Mr Ives should be addressed to the Minister for Planning, who is more than capable of responding to those issues. Mr Ives understands

full well, as he made clear, that there are balances to be achieved between development and the environment. I suspect it is a dynamic issue that will always be in the process of debate. There is nothing wrong with that, nor would Mr Ives suggest so.

Turning to the broader issues, I listened to what other opposition members had to say on this subject. One of the most interesting background issues was raised by interjection from Mr Theophanous, who said something along the lines of, 'We should abolish the states', to which Mr Power said something along the lines of, 'If only we had the courage to do so'. I wonder about the issues that lie behind the opposition's attack on local government amalgamation in Victoria.

The views of the Labor Party on what amalgamation should achieve in the state had very little to do with the improvement of the cost-efficiency of services or improvement in quality. It was essentially based upon a political view, particularly of the socialist left, with which I am happy to include Mr Power from the pledge group.

Hon. Pat Power - You know not of what you talk.

Hon. W. A. N. HARTIGAN - You are not a member of the pledge?

Hon. Pat Power - No.

Hon. W. A. N. HARTIGAN - I know pretty well what I am talking about in terms of Labor Party policy, particularly the left. It was adverted to by you and Mr Theophanous during your speeches. I will show it to you in *Hansard* if you want to have a look at it. The drive for amalgamation is fundamentally supported by Labor. But Labor failed to complete that drive, and I will have something to say about that. From all the evidence presented by Mr Power and other opposition speakers it seems that amalgamations were designed to politically strengthen local government, to disadvantage the state and to strengthen the political power of Labor.

Hon. D. A. Nardella - You are an historian, too; rewriting history.

Hon. W. A. N. HARTIGAN - Yes, I am a man of many parts, and it is not rewriting history. Speak up Ms Kokocinski, I can't hear you behind the pillar down there.

Hon. Pat Power interjected.

Hon. W. A. N. HARTIGAN - I am perfectly happy. I have sufficient knowledge about the people here. Their speeches revealed that Labor's concern was not about improving the efficiency of local government.

Hon. D. A. Nardella - It was not.

Hon. W. A. N. HARTIGAN - No, certainly not. Mr Nardella continually makes it clear; his view is that amalgamations should become a focus for the increased manning and overstaffing of local government and the increased assumption of responsibilities by the public sector. The reason why Mr Nardella and Mr Power promote that is their recognition that public sector employment is highly unionised and, more importantly, is not subject to the pressures faced by private enterprise in the tradeable sector. Although I can see why Labor would see greater political advantages, it is astonishing that it rejects the government's arguments on the basis that local government amalgamation will lead to cost reductions through more efficient use of resources. I heard Mr Power speaking to Ranald Macdonald about it, and he quickly got off the subject. Mr Power said something along the lines of 'One of the consequences of Geelong's local government amalgamations is that 285 people will lose employment'. Mr Macdonald said, 'I thought the Labor Party was in favour of amalgamation'. Mr Power said, 'That's right'. And when Mr Macdonald said 'Surely that would lead to a reduction in employment' Mr Power moved on to another subject very promptly!

One has to ask what objectives did Labor have in mind - notwithstanding the fact that it failed to implement any objectives - when it supported local government amalgamation? It could not have been an improvement in the quality and cost of the services delivered because Labor was not prepared to make any adjustment to the cost base. Labor objected to compulsory tendering not on the ground that it would not produce benefits to ratepayers but on the ground that it might involve a shift in resources from the public sector to the private sector.

Hon. Pat Power - On the ground that it goes to 50 per cent.

Hon. W. A. N. HARTIGAN - What is wrong with that? What do you think it should go to? One hundred per cent! I have no objection to it going to 100 per cent in theory. Personally I don't think it is appropriate or capable of being achieved in practice because local government will still have to - -

**Hon. Pat Power** - You support something that you believe is inappropriate?

**Hon. W. A. N. HARTIGAN** - I said that I do not have any objection to people arguing it. However, I would not support it because local government's responsibilities must be maintained if they are to be discharged appropriately. I have no embarrassment or concern about the government's reforms to local government. Before the election the coalition made it clear that it would reform local government in Geelong. And the government has gone ahead and done so. It is a pity in some respects that Mrs Hogg, who was a Labor local government minister, did not speak during the debate. I would have been keen to hear what she had to say about the amalgamation process she tried to put in place in Geelong.

The Labor government attempted to establish a committee in Geelong. The only consequence was that the councils that opposed amalgamation immediately spent a literal fortune - tens of thousands of dollars - on legal challenges and public relations activities in opposition. The curious aspect was that most councils did not oppose some form of amalgamation. However, many councillors had different ideas about amalgamation; they were all designed to suit particular outcomes for the councillors themselves rather than the people of Geelong. Labor found that development much too politically sensitive and withdrew defeated. During its 10 years in government Labor failed to implement its stated policy of local government reform, including amalgamation, a policy that Mr Power supports. The level of support cannot be too high if, over 10 years, the Labor government failed to make one significant move in that direction. Yet, in 17 months the coalition - -

**Hon. Pat Power** - How did your party vote in the Legislative Council at the time?

**Hon. W. A. N. HARTIGAN** - Our party? As I understand it neither you nor I were here. If we had been it might have been different. Having said that, I have some sympathy with the position taken by the coalition in opposition given Labor's view and its clear objective in local government amalgamations. I would have been very careful about giving Labor any authority to waste any more money than it did. I would be careful about giving Labor any authority over local government that would allow it to interfere, as it intended, in the democratic process that exists today.

**Hon. Pat Power** interjected.

**Hon. W. A. N. HARTIGAN** - You do not have any view of a democratic process other than the end justifies the means - and you clearly establish that. The democratic process will proceed. At the time of the election it was clear that the coalition intended to reform local government in Geelong. The situation in Geelong was complex. The coalition appointed administrators and commissioners, which has happened time and time again whenever change occurs in local government. Given the unhappy circumstances and the ill-feeling surrounding Labor's botched attempt at reform in Geelong, it was the only possible way to handle the sensitive issue. It is interesting to refer - I refer very infrequently to written material because my glasses are not focused properly - -

**Hon. Pat Power** - It does not always suit your case.

**Hon. W. A. N. HARTIGAN** - It always does, I would not refer to it otherwise. But I am not too worried about that. I refer to an article that appeared in the *Geelong Advertiser* of 23 May entitled, 'The rally they threw and nobody came':

It was the protest rally that wasn't.

GTHC first raised the idea of a protest rally in March, urging the Geelong community - regardless of political beliefs - to take part.

A date for the elections had not been scheduled at that stage, although March 25 was rumoured to be the commissioners' preference.

In fact they had announced that preference, it was not a rumour.

GTHC secretary, Mr John Kranz, in April announced the rally would take place outside city hall on Saturday, May 21, from 10.30 a.m.

Former councillor, Mr Peter Lockyer, was one of the people working with Mr Kranz.

'Nothing happened,' Mr Lockyer said last night.

'It was decided that city hall was not a good place to have a rally on a Saturday ...

Hon. Pat Power interjected.

**Hon. W. A. N. HARTIGAN** - Maybe you are right, maybe it was the alternative attraction of Kardinia Park. But he did not suggest that:

# LOCAL GOVERNMENT RESTRUCTURE

836

COUNCIL

Wednesday, 25 May 1994

Mr Lockyer said the community groups had decided to focus on other things –

On that basis there is not the great body of concern the opposition argues exists about the delay in the holding of elections. The Geelong election date has been announced. Everybody understands that and the elections will proceed in due course. The honourable member for Geelong North in another place, Mr Loney, presented Parliament with a petition of 22 000 signatures. The *Geelong Advertiser* reported Mr Loney as having said:

It is clear Geelong residents want a democratically elected council re-established as soon as possible –

I do not think there is anything wrong with that. He decided that it is necessary as soon as possible.

Hon. Pat Power - Your idea is when you decide it is necessary.

Hon. W. A. N. HARTIGAN - Our date has already been published; it is 25 March. That has been decided; the date has been advised. Everybody knows when it will be and everybody is happy about it. The irritability of those trying to accelerate the elections for their own political ends is clearly not supported by the vast mass of people who are, in my view and in the view of anybody who looks at it objectively, happy with the consequences of the amalgamation process and the establishment of a group of commissioners during the interim process of amalgamation. I notice earlier speakers - I think I am correct in saying it was either Mr Power or Mr Walpole-referred to statements made by Commissioner McCormack. I have much the same objection to her statement as does Mr Power. I wrote a letter to her saying that I thought it was a particularly stupid thing to say.

Hon. Pat Power - Do you support particularly stupid commissioners being appointed?

Hon. W. A. N. HARTIGAN - I have to say that in this case she expressed a particular view with which I disagree.

Hon. Pat Power - Which you described as particularly stupid.

Hon. W. A. N. HARTIGAN - I did not say she was particularly stupid, I said her statement was particularly stupid. In every other respect she is extremely competent.

Hon. D. A. Nardella - What is your view?

Hon. W. A. N. HARTIGAN - I have been telling you what my view is. I wrote to her and said that I did not think her view on elected councillors was relevant.

Hon. D. A. Nardella interjected.

Hon. W. A. N. HARTIGAN - If you listen I shall tell you what I said. I try to be clear in my language, and if I am failing to be clear it is more your problem than mine, Mr Nardella. I told her I thought it was a silly view and that democratically elected local government councillors were an important part of the democratic process in Australia. I hope to see them returned as soon as possible, which they will be on 25 March 1995.

Hon. Pat Power - Did you support her appointment to the Surf Coast Council?

Hon. W. A. N. HARTIGAN - I am not sure that I was asked, but I believe she is doing a fine job.

Hon. Pat Power - Can I take it from that that you reserved your judgment at the time?

Hon. W. A. N. HARTIGAN - No, I did not reserve my judgment. I said in my letter to her that her statement was particularly stupid and it was regrettable, but in all other respects I believe she is extremely competent.

Hon. Pat Power - You do not mind my quoting you?

Hon. W. A. N. HARTIGAN - I hope you read *Hansard* and quote me correctly.

Hon. Pat Power - Can I take you up to Ballarat and get your comments on the appointment there?

Hon. W. A. N. HARTIGAN - I am restricting my comments to an area I know fairly well. In seven months the government has achieved outcomes that Labor failed to achieve in 10 years! Not only did it fail to do anything worth while, it botched up what it did do, which made the government's job unnecessarily difficult and caused a lot of unnecessary angst that would not have occurred if the Labor government had approached the process on some rational basis.

Hon. D. A. Nardella - They were your own decisions.

Hon. W. A. N. HARTIGAN - I did not know it was a coalition government decision that had Mrs Hogg appointing a commissioner who, before he even began, said he believed in amalgamations. The government had the honesty to say before it went to the election that it would reform local government in Geelong.

Hon. Pat Power - Was that in the policy documents, that you would remove democracy?

Hon. W. A. N. HARTIGAN - It was not because it's not true; and for the left of the Labor Party to talk of democracy is to abuse the term.

Hon. Licia Kokocinski interjected.

Hon. W. A. N. HARTIGAN - Ms Kokocinski has already pointed out the lack of democratic processes in the Labor Party. She has already experienced how its democracy worked for her. They gave you the flick! Your own party lacks democratic principles.

Hon. Pat Power - Where did you refer in your policy to the use of commissioners?

Hon. W. A. N. HARTIGAN - Do you think we should say something about that? We could have been like the Labor Party and made statements that we repudiated later.

Hon. Pat Power - You concede you made no reference to commissioners?

Hon. W. A. N. HARTIGAN - That is so, because there was no need to make any reference to them. The reference was to reforming local government. These reforms have been well received by the community in Geelong and they have worked marvellously well and will achieve the objectives we foresaw.

That is in contrast to the failure of 10 years of Labor government. It failed to do a thing; it did not achieve one thing. The Labor government lacked the political courage to carry on with the start it made and botched up so incredibly. The money that had to be spent in Geelong as a consequence of the botch-up Labor made at its one, sole, miserable attempt at reform, which it claims is its policy, had to be seen to be believed.

Hon. Pat Power - Do you support Glyn Jenkins's current trip to China?

Hon. W. A. N. HARTIGAN - I did not know that he was travelling to China. Why should I know whether he is going to China? It is still a free country. Would the Labor view of local government require him to obtain approval from the commissars in Canberra? The far left of the Labor Party promoted democracy when it is clear that the structures it would have put in place would deny ratepayers and constituents any say in what went on.

Given the opening left by Mr Ives, I refer to the fact that the opposition is bleating about the reduction of overmanning in the public sector, but it financed that overmanning through borrowings without any idea how it would pay for the borrowings. The party that bleats about restoring honesty and integrity to government did not act in that way when in government.

Hon. Pat Power - We would not have appointed dimwit commissioners.

Hon. W. A. N. HARTIGAN - Why not? You appointed dimwits to every other role. The reason the Labor government was in so much trouble was that it appointed them across the board.

Hon. D. A. Nardella - Name one.

Hon. W. A. N. HARTIGAN - Name one who wasn't. Mr Nardella, you were not here, so I cannot accuse you of that. The evidence is clear from the outcome. A government which managed in a few years to achieve \$10 billion of debt against which it had no assets and which ran a current account deficit of more than \$2 billion and rising has no credibility. It abandoned responsibility for management of the state and failed in 10 years of government to achieve one thing in local government other than to upset the people of Geelong.

Hon. D. A. Nardella - You do not know what you are talking about.

Hon. W. A. N. HARTIGAN - I know a lot more about local government than you. I worked in it for some time.

Hon. Lida Kokocinski - You did not learn much.

Hon. W. A. N. HARTIGAN - I learnt a great deal.

Hon. Pat Power - Tell us more about the Kennett coalition policy that had no reference to the assault on democracy.

Hon. W. A. N. HARTIGAN - If you explain what you have failed so far to do: what this so-called attack on democracy is supposed to be, I might address the question. There is no attack on democracy. The government will hold elections as soon as the reforms are in place. The incoming democratically elected councils will have a new base to work from without the background of being part of a flawed process.

Local government was not about to reform itself for reasons that people understand. I am not unsympathetic to that. Many people spent unpaid time and made enormous contributions to the community. However, the evidence was clear to the former Labor government, as it was to the coalition, that local government would not reform itself. The reforms made by the government and the manner in which they were made were supported by Mr Power. Action had to be taken by the government.

The issue now talked about by the opposition is the narrow issue not of whether commissioners ought to be appointed but of the particular group of people who should be appointed to advise them. That is a fine debating point but is of absolutely no relevance to the process and it is not a point that the Labor opposition is able to make on the basis of its performance.

Hon. D. A. Nardella - Press release no. 5

Hon. W. A. N. HARTIGAN - I cannot say that I am not happy about you revealing it to the public. I do not, as the Labor Party does, plan the destruction of democracy and government in this state, which was made dear by the statements of Mr Power and Mr Theophanous.

Hon. Licia Kokocinski - You have taken away the right to vote. How can you talk about democracy?

Hon. W. A. N. HARTIGAN - Ms Kokocinski does not have a right to say anything on this subject. She has been given the flick by the so-called democratic process in the Labor Party. When talking about democracy she should talk about the trouble she had in being forced to give up her seat. I have no doubts about the strong democratic background of what the government is doing. It will give local

government strength and the capacity to make regional Victoria not only into centres of regional and economic power but also provide the reform that will make this state more competitive, enable the tradeable private sector to perform more adequately and provide the jobs that we desperately need to attack unemployment. That is one of the worse problems facing Australia today and is due largely to the incompetent assistance and lack of understanding of people like Mr Nardella in pursuing the sorts of actions that have led to high unemployment.

Hon. D. A. Nardella - You are now saying I sacked 285 in Geelong.

Hon. W. A. N. HARTIGAN - I do not know how influential Mr Nardella was before he came to this place but he was probably more influential than he is now, and that may not have been very much! There is no question that the federal Labor Party is largely responsible for the problems in this country greatly aided by 10 years of destruction of economic activity by the Victorian Labor government through its incompetence, dishonesty and lack of integrity in the way it ran this state.

Hon. Pat Power - Alexander Downer will fix it.

Hon. W. A. N. HARTIGAN - I am looking forward to Mr Downer becoming Prime Minister in less than two years; I can hardly wait. I have no doubt that if the right structures are put in place we will start to see programs that will address the major issues of unemployment and the reduction in the standard of living which has been a result of a decade of mismanagement by Labor at the federal, state and local levels.

In his contribution Mr Walpole showed an uncharacteristic concern about Victorian era architecture and what would be done with the town halls that would be left behind after amalgamation. I found it a curious contribution given that Mr Power did not consider it to be central to this debate about local government amalgamations. Had Mr Walpole asked Mr Power what his view was about the use to which these excess town halls could be put - would he have come to the conclusion that they could be used for local dances - I am in favour of that. However, I hardly think it is a significant or powerful contribution to the criticism which the Labor Party - -

Hon. Pat Power - I was looking to dance with you at Brunswick last night and you were not there.

Hon. W. A. N. HARTIGAN - Mr Power has many attributes but I am afraid that he has none that would see me in his proximity in those circumstances.

The DEPUTY PRESIDENT - Order!  
Mr Hartigan should address the motion, which is about the amalgamation of local government.

Hon. W. A. N. HARTIGAN - Thank you for your direction, Mr Deputy President - -

Hon. Pat Power - If you danced with me I would consider my affiliation with the pledge.

Hon. W. A. N. HARTIGAN - I would refuse the offer, although I wonder about the honesty with which it is proffered.

Before those unfortunate interruptions I was making the point that I did not think Mr Walpole's concern about the disposition of unused town halls was a matter of great import in discussions about reforms to local government, which the coalition has introduced so successfully and with which it is proceeding. My view, however, is less important than what the people think, and they will have the opportunity to express their views in due course.

I am not surprised, nor should anyone else be, including Mr Power, that some people in local government are resistant to change. It has been that resistance to change which has required many governments of all persuasions to act in the way this government has acted. Notwithstanding that, I have seen the results of recent polls conducted in St Kilda. I have also spoken socially rather than officially to some St Kilda councillors who have pointed out that a minority of counsellors believe Mr Costello in St Kilda is presenting a one-sided view of the impact of amalgamations on St Kilda. It is that sort of resistance to change which transcends the view that one does not like change but gets involved in the one-sided and biased representation of the alternatives that makes one wonder about whether it would be such a sensible thing to do what Mr Power suggests. It is fundamentally important to make a clean break from highly partisan local politics so that people who are concerned solely about the physical aspects of administration and the amalgamation issue, given that they have still local representatives--

Hon. Pat Power - You removed the democratically elected representatives.

Hon. W. A. N. HARTIGAN - As Labor did, and we make no bones about. We abolished councils. Labor did it when it was in government for good and sufficient reasons. I cannot recall any great outcry at that time about the power of the state government to take such actions. I have seen nothing here other than a fit of pique and a level of dissatisfaction with the outcomes on the part of the socialists and the far left as to what their ideal results in local government reform would be. There is no basis on which any reasonable person could accept the motion being worthy of any consideration.

Debate adjourned on motion of Hon. LICIA KOKOCINSKI (Melbourne West).

Debate adjourned until later this day.

Sitting suspended 12.58 p.m. until 2.02 p.m.

### SWAN HILL PIONEER SETTLEMENT AUTHORITY (REPEAL) BILL

Debate resumed from 19 May; motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

Hon. PAT POWER Uika Jika) - The opposition supports the Swan Hill Pioneer Settlement Authority (Repeal) Bill and does not intend to involve itself in a major debate on the issue; I am sure that Mr Bishop will be making more substantial comments on the issue than I will be.

The opposition supports the bill because it understands that it will enable the Swan Hill Pioneer Settlement to be run more efficiently, and that will involve substantial management assistance from the City of Swan Hill. The consequence of the legislation will be to transfer assets and liabilities of the pioneer settlement to the authority of the city council.

Honourable members would be aware - and I am sure Mr Bishop will expand on this matter - that the settlement was established in the 1960s and was the first folk museum in Victoria. It was originally administered by the City of Swan Hill, and the assets and liabilities were transferred to the government when the statutory authority was established in 1975.

Opposition members support the legislation because we believe it will lead to more efficient management and that tourist activities such as the Swan Hill Pioneer Settlement are critical to Victoria's future. We believe employment opportunities in this sort of

tourist activity will play a major role in Victoria's growth in the future.

The Swan Hill Pioneer Settlement, along with SoverPign Hill at Ballarat, are two locations that . n- . < j . en ,mously important role in t>oviding Victorians, Australians and international visitors with an important opportunity to understand Victoria and Australia's culture. It has assisted tourists to understand the way those regions of Victoria and Australia were settled; to understand the way Victoria's history was established in harsh conditions and to give people a clear picture of the way the settlements were an important part of Victoria's early growth.

I have heard honourable members from both sides of the house talk about the wonderful tourist destinations that Victoria has to offer, and Swan Hill fits very comfortably into that sort of picture. Whether one is talking about Swan Hill and the settlement, the River Murray, Mildura downstream or Echuca and Yarrawonga upstream, they all have an enormous amount to offer to Victorians seeking a short break, for schoolchildren on their holidays or for interstate and international visitors who may be making more substantial visits to the various tourist attractions that Victoria has to offer.

Opposition members believe tourism is an important industry now and for the future, and we support the legislation because it will enhance and strengthen the pioneer settlement at Swan Hill and enable it to increase its share of the market and the number of visits that people will make. In that sense Swan Hill will sit beside the wineries that exist right across the state, whether in north-east Victoria or in the Yarra Valley or in your electorate, Mr President.

Honourable members talked earlier about Mount Stirling and the wonderful tourism opportunities that there are in the north-east high country—both in the winter for skiing and in the summer for walking. The coastal areas of Victoria—such places as Wilsons Promontory, the Great Ocean Road, Ninety Mile Beach, the Gippsland Lakes, Mallacoota, Cape Conran and Wingan Inlet—all have an important part to play.

Mr Bishop's Sunset Country offers absolutely marvellous opportunities for camping and walking, and again in your electorate, Mr President, the Glenelg National Park, the Central Highlands and the goldfield areas provide increasing opportunities for weekend visitors and people on more substantial holidays.

I conclude by wishing the legislation well and hoping it will lead to increased opportunities at the Swan Hill Pioneer Settlement. I trust that the people who have given faithful service to the settlement over the years will continue to do so, that an increasing number of return visits will be made and that people who have not yet had the opportunity of visiting the settlement will do so.

Hon. B. W. BISHOP (North Western) - I thank and commend Mr Power for his contribution and his understanding of the Swan Hill Pioneer Settlement and the tourist industry throughout Victoria. The bill is simple and straightforward; it repeals the relevant act. It transfers the assets and liabilities of the pioneer settlement to the Swan Hill City Council. The bill also repeals the Coal Creek Historical Park Act and the Gippsland Folk Museum Act, which mirror the Swan Hill legislation. Those acts have never been proclaimed but as committees of management now operate them, the acts should be repealed.

The Swan Hill Pioneer Settlement was established in 1962 and was one of the first folk museums in Victoria. It was established with much enthusiasm and vision for the future. Originally it was administered by the Swan Hill City Council until a statutory authority was established in 1975. All the administrative moves to date show the change of emphasis over time and demonstrate how such a facility must be properly administered so that it works in the interests of those in Swan Hill and Victoria.

The council and the settlement representatives have indicated their support for the legislation to put the Swan Hill area in charge of its own destiny. Both parties and the interests surrounding the settlement agree that administrative costs will be reduced and that the decision-making process and responsibilities should return to where they belong—in Swan Hill.

Swan Hill has a rich and historic pioneer base, and when added to the Mediterranean-type weather and the wineries abounding in that area with many attributes such as sporting facilities, fishing spots and sightseeing attractions, one understands why it has become a popular tourist destination.

Over time this area has generated significant tourism. Swan Hill has top-class accommodation and there is plenty to see and do. In latter years the pioneer settlement has been complemented by the Murray Downs Golf and Country Club with a

magnificent but difficult championship golf course. The club has tremendous facilities including poker machines, and lawn bowls. It provides plenty of entertainment and is a popular meeting and eating place for residents of Swan Hill and the many Victorians, interstate and overseas visitors.

The settlement has some wonderful exhibits, both static and operational. Without doubt one of the most unique is the paddle steamer *Gem*, which in the past was one of the largest classes of vessel operating on the River Murray. It now floats in its own dock and contains a superb restaurant which has a fitting menu for that area. Honourable members should treat themselves to an entree or main course of yabby tails wrapped in bacon. I strongly advise honourable members to try it!

Other river craft, including the *Pyap*, work the river from the settlement and from other sites along the river, thereby adding to the attractions for tourists. Some of the static displays came from my home town, Waitchie. The old horse and dog trough has been placed at the settlement. They were originally installed in many Victorian towns by a family trust which showed concern for the welfare of horses and dogs in years gone by. I also mention the old Commercial Bank building which was staffed once a fortnight by the visiting manager from nearby Ultima. The original building is now at the pioneer settlement.

Activation Day at the settlement is a tremendous occasion when one can see stationary steam and fuel engines operated generally by dedicated volunteers. On that day visitors also have the opportunity of seeing the chaff cutters in operation, driven by steam and fuel engines and by horse power. The blacksmith works on that day and visitors can view sheep shearing, wool spinning and wood turning. Each working day the chemist and fabric shops, the post office and a number of other shops are open. Visitors can enjoy Victoria's heritage on display at the settlement.

One of the most unique experiences at the settlement is the sound and light display. A small, rubber-tyred train travels around the settlement at night, stopping from time to time. It is a wonderful audio-visual reflection of our history. The idea is to have a meal on the *Gem* and to experience the sound and light display between courses - a wonderful marketing initiative on behalf of the settlement.

The Swan Hill Pioneer Settlement occupies about 7 acres, providing plenty of room for static and

working exhibits. The river boats ply the river trade and horse-drawn vehicles of past years operate at the settlement. A superb horse-drawn hearse is on display complete with gigs and buggies taking pride of place. Visitors can also inspect motor vehicles, tractors and steam engines of years gone by.

When one reflects on what is on display at the settlement, one must reflect on the strong agricultural growth that this area enjoyed and continues to enjoy and the history created throughout the years. One can see the early wheat strippers, the harvesters and other advances over time as technology improved agricultural machinery.

Although it is important that the responsibility and decision making is returned to the Swan Hill City Council, it is just as important that the government plays its part in linking tourism facilities in the Murray Valley. As Mr Power has said, that strip stretches from Yarrawonga to Echuca, to Swan Hill and on to Robinvale and Mildura. The attributes of each town should be built upon so that the tourist dollars can be drawn to Victoria.

It is a wonderful educational experience for families to travel through the Murray Valley. I am reminded of the superb educational facilities available at the pioneer settlement. It has a large accommodation area for schoolchildren and visiting groups, providing easy access for visitors to the rich historical significance of the area. The settlement provides the opportunity to view at first hand the real history and heritage of our country. Schoolchildren, groups and other visitors can have a hands-on experience with our historical links which are explained by the committed people who work at the pioneer settlement, supplemented by the volunteers who assist them.

I must highlight the competitiveness of today's tourism world and the attractions of other areas. The attraction of interstate and overseas travel challenges Victoria's tourist facilities. I remind honourable members that Victoria has many interesting facilities and attractions which will continue to challenge each other in the future. We must make the most of our opportunities by developing attractions that build on our history and heritage.

There is no doubt that this bill will assist the Swan Hill community through the pioneer settlement being managed by the council. That ownership and responsibility should provide the drive for the council to fully utilise the settlement, which is a

## TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

842

COUNCIL.

Wednesday, 25 May 1994

wonderful asset, and to link it with other district attractions as it is important that the income base be given the widest area possible. To the west are the grain growing areas and along the Murray Valley are the strong horticultural industries which will serve our markets well in the future. The area over the river in New South Wales is obviously more slanted towards the grazing industry. A wide area can be built on, particularly with the strong attraction of the Swan Hill Pioneer Settlement.

The extremely wide range of transport facilities now available to reach Swan Hill can be utilised. There are road, coach train and air facilities; no doubt they would fill any need of visitors wishing to see the superb settlement.

I congratulate the Swan Hill Pioneer Settlement, the Swan Hill City Council, the many supporters of the attraction and the many totally committed volunteers who have worked so hard and diligently. Obviously, without that volunteerism the settlement would not have been able to prosper as it has done. I congratulate all of those parties on their commitment, vision and eagerness to grasp the opportunities provided by this bill and to be fully in charge of the destiny of the settlement. I commend the bill to the house.

The PRESIDENT - Order! I am of the opinion that the second and third readings of this bill are required to be passed by an absolute majority. To ascertain whether an absolute majority exists, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The PRESIDENT - Order! So that I may be satisfied that an absolute majority exists, I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time.

### *Third reading*

Hon. HADDON STOREY (Minister for the Arts) - By leave, I move:

That this bill be now read a third time.

In doing so, I thank the honourable members who have spoken on the bill for their support of it.

The PRESIDENT - Order! Once again so that I may be satisfied that an absolute majority exists, I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Passed remaining stages.

## TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

### *Second reading*

Debate resumed from 17 May; motion of Hon. W. R. BAXTER (Minister for Roads and Ports).

Hon. PAT POWER Oika Jika) - The opposition supports the Tobacco Leaf Industry (Deregulation) Bill. I wish to make some comments about why that is the opposition's position and indicate its general view about tobacco growing and the way outgoing tobacco growers will have the opportunity to move into alternative cropping. I am sure that Mr Evans and others also wish to make contributions to the debate on this issue.

Hon. P. R. Hall interjected.

Hon. PAT POWER - The National Party needs all the support it can get!

*Honourable members interjecting.*

Hon. PAT POWER - The area in and around Myrtleford, where tobacco is currently grown is, all members would agree, some of the most beautiful country in Victoria.

Hon. G. R. Craigie interjected.

Hon. PAT POWER - Mr Craigie asked whether it is better than Flowerdale, but he will understand that I am unable to agree. I suspect that it is not just the most beautiful country in Victoria and Australia, but indeed in the world. The area is absolutely magnificent; in some ways it is a tragedy that for all these years such beautiful, top-quality country was

used for tobacco growing and not for growing crops that would have made a better contribution to the community.

Mr Evans might correct me, but I understand that the top soil along some of the river flats is 80-feet deep.

An honourable member interjected.

Hon. PAT POWER - Those of us who understand these issues will know that such magnificent top soil at depths of that magnitude is incredible. It is a bit deeper than the top soil of King Parrot Creek Flats; I will admit that!

Tobacco is grown in some 120 countries and each year approximately 7.5 million tonnes is grown. I do not intend to turn this into a cigarette-smoking-bashing debate. However, increasingly the community is becoming aware - not just through economic viability, but because of questions of health - that it needs to find alternative crops for all tobacco growers, not just some of them.

Some 600 growers produce tobacco in Australia; 60 per cent of those growers are located in northern Queensland, some 37 per cent are established in the north-eastern areas of Victoria and the remainder are in New South Wales and southern Queensland.

Mr Evans would have more detailed local knowledge than I, but I understand that there are some 200 growers farming about 5000 hectares. The average holding is between 25 and 30 hectares in size and tobacco is grown on a fixed quota system. Tobacco farmers find it difficult to grow alternative crops because of their small holdings. Given the quality of the soil, 25 to 30 hectares is an appropriate acreage for intensive farming, but it is often difficult for farmers to contemplate the full range of alternative crops.

I do not often have the opportunity of commending the consultation the Kennett government undertakes, but in respect of the Tobacco Leaf Industry (Deregulation) Bill, substantial consultation with farmers and the industry took place. Submissions from farmers were sought, and I commend the government for that.

Debate interrupted pursuant to sessional orders.

---

## QUESTIONS WITHOUT NOTICE

---

### Grand prix

Hon. D. R. WHITE (Doutta Galla) - I direct my question to the Minister for Major Projects. Mr Ron Walker, the Chairman of the Major Events Committee, entered into an agreement on behalf of the government to secure the rights to the grand prix for five years. Mr Walker is now telling his business colleagues that he purchased the licence for \$60 million over five years. Can the minister confirm that the government has agreed to pay \$60 million to secure the rights to stage the grand prix in Melbourne?

Hon. M. A. BIRRELL (Minister for Major Projects) - Mr White should know that the Major Events Committee does not report to me. However, I shall be happy to refer the matter to the Premier or the Treasurer and report to Mr White if he wants.

### Parks in central Melbourne

Hon. G. R. CRAIG (Central Highlands) - Can the Minister for Conservation and Environment provide the house with further details of the government's plans to create a circle of parks for Melbourne?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - Honourable members would be aware that the government has announced the concept for a circle of parks around central Melbourne. I am pleased to advise the house that the proposal the coalition made in opposition is being implemented and will be a major addition to our capital city and the inner suburbs, which have long needed improved bike paths and accessible areas of public open space.

During the luncheon adjournment I visited an area near the South Eastern Arterial in Richmond which has effectively been off limits to the public since the 1960s as a result of decisions taken by previous governments, including Liberal governments. As a result of my initiative for a circle of parks a new bike and walking path, which will complement the popular southern bank route, will be created on the north bank of the Yarra River.

Associated with the initiative is the significant expansion of public open space and beautification of

parkland and the creation of a unique linear trail stretching 29 kilometres around central Melbourne's most scenic areas. It will enable walkers, runners and cyclists to complete a full circle of the capital city, including the Yarra River, Royal Park, the Royal Botanic Gardens, Yarra Bend Park, the Merri Creek, the Moonee Ponds Creek and the Docklands area, and will fill the missing links in Melbourne's open space and create new assets.

A major new bike path and a pedestrian path will be created on the north bank of the Yarra and will include a floating boardwalk on the bank opposite Herring Island to link Burnley gardens with the city.

Also there will be a bike path in Collingwood and a walking and bicycle path through Royal Park, connecting Flemington Road with the Melbourne Zoo. Currently there is no useable link for the public.

A complete recreational park and tree planting will be established around the route of the former inner circle railway. The present bike path stops amid rubble.

A major new parkland will be created at Herring island in Richmond and extra parkland will be developed around the rest of the bicycle link. Subject to an environment effects statement and the Western bypass study, a Moonee Ponds Creek link will be created and there will be a new trail linking Docklands to the city along the Yarra River.

One of the main priorities of the project is to improve parkland, including sections of the Royal and Yarra Bend parks, and to re-establish indigenous vegetation along degraded sections of waterways. We will maximise opportunities to enhance the landscaping and planting along the roads and railway lines in the area. Ordinary people who use the bike paths at weekends will find that, for the first time, the tracks are linked to an entire bike path around metropolitan Melbourne and new parklands. The initiative will be matured over coming years and we look forward to it being a popular addition to our capital city.

### Municipal libraries

Hon. D. E. HENSHAW (Geelong) - I direct a question to the Minister for the Arts. Ms Leonie Burke, the Chairperson of the Local Government Board, is reported in today's press as predicting that, as a result of the government's drive for efficiency in local government, councils will have to impose charges for book-lending services and contemplate

contracting out such services. In view of the minister's answer to a question I asked last week in which he lauded the government's funding support for municipal libraries, will the minister give an assurance of his continuing support for free book-lending services?

Hon. HADDON STOREY (Minister for the Arts) - As I said last week, the government is not considering and has never considered the introduction of charges for core public library services.

Hon. T. C. Theophanous-What does 'core' mean?

Hon. HADDON STOREY - It means what it meant under the previous government and what it means under this government. The review that was conducted last year has been accepted by everybody in the municipal library system and the Municipal Association of Victoria. It is apparent from that question that Mr Henshaw does not know what he is talking about. There are core services and there are value-added services. This government has always provided funding for libraries and made it a condition of that funding that libraries cannot charge fees for core services. Should they do so they would not receive government grants.

The government is not proposing any changes. Victorian libraries are tremendously important because they provide information, education and entertainment. Libraries cater for people of all ages and provide all sorts of services. In recent years they have expanded into providing videos, audiovisual material, on-line computers and data records. Despite Mrs McLean's concern about it, in due course people will have access to information when the information superhighway is introduced. Libraries are crucial to the wellbeing of all Victorians, and for that reason the government guarantees that it will continue to provide a free service to the community.

The state government funding guidelines requires that libraries provide a free service. If they do not they are not entitled to receive their grants.

The grant this year represents an increase of almost 5 per cent over 1992-93. It is the first time in years there has been an increase in funding for public libraries. Under the former Labor government public libraries had their funding progressively reduced year after year. This government is turning that situation around by providing an increase in funds

to state libraries. Wonderful work has been done at the State Library, which will receive \$39 million for its refurbishment.

The answer to the question is that there is no change in policy. The government will continue to insist upon free library services as a condition of the grants. The honourable member can certainly have the assurances he sought.

### Arts for young people

Hon. LOUISE ASHER (Monash) - I refer to the comments made by the Minister for the Arts on the participation of young people in the arts in response to a question I asked on 4 May. Will he inform the house of any recent developments in this area?

Hon. HADDON STOREY (Minister for the Arts) - I thank Ms Asher for her question on youth art in this state. The government recognises the importance of arts in shaping our young people's future. Our challenge is to encourage young people to participate in the arts in their own time, of their own accord and to do as much as we can to encourage them to develop an appreciation and an understanding of the arts that will add richness to their lives.

Since my response to Ms Asher's previous question, Melbourne has been proud to host two youth arts events: firstly, the Seventh National Youth Arts Conference at St Martins Centre for Youth Arts and, secondly, the Next Wave Festival. The National Youth Arts Conference brought together more than 100 people from around Australia who are practitioners in youth arts, such as administrators and other people concerned in enabling youth arts to be developed in this state. It was a wonderful conference at which people debated the themes: Who are we? What do we do? Where are we going? The conference attracted many excellent speakers at the seminars, discussions and debates as well as performances from some of the really interesting innovative performers in this state. Mrs Hogg would know about *Crying in Public Places*, which was performed on the opening day; the De Soxy Dancers also performed, which gave people from around Australia an understanding of the quality of arts in this state.

The Next Wave Festival has received favourable reviews and publicity from the media. It has given young artists an opportunity of exploring their creativity and has enabled them to present their work to a wider than normal audience. It shows the

extensive stature of Australia's youth art, which signals that Melbourne is the cultural centre of Australia and that it is bringing together a range of activities that give an opportunity to develop talent, creativity and to make all people realise that arts are an important part of their lives that they should be able to participate in. I hope we will be able to continue to enrich the lives of young people in our community.

### Local government restructure

Hon. PAT POWER (Jika Jika) - I refer the Minister for Local Government to a detailed analysis of the Local Government's Board's forecast of rate reductions and savings as a result of inner Melbourne Council mergers, which has been described as being exaggerated by economic consultant Dr Ian Manning and Municipal Association of Victoria's economist, Tony Pensabene. Can the minister advise the house if he supports the board's proposal that rate revenue be reduced by between 29.8 per cent and 36.1 per cent?

Hon. R. M. HALLAM (Minister for Local Government) - I thank Mr Power for his question, which invites me to express my support for the analysis undertaken by the Local Government Board. I am happy to indicate that support, although I again make the point that it is difficult for the Minister for Local Government in these circumstances to give any commitment on two grounds: firstly, I have not been involved directly in the work - I have left that to the independent board to undertake; and, secondly, the proof of the pudding will be in the eating!

Hon. Pat Power - Just like Geelong!

Hon. R. M. HALLAM - Mr Power uses the example of Geelong.

Hon. Pat Power - Some 285 jobs have gone and municipal charges are up!

Hon. R. M. HALLAM - The proof of the pudding will be in the eating to the extent that the way in which efficiencies are delivered to ratepayers will depend on the decisions taken at the council table.

*Honourable members interjecting.*

Hon. R. M. HALLAM - I find it interesting that the shadow minister is advocating that the minister should be in a position to guarantee the savings in

some form. In effect what he is arguing is that the minister is in a better position to make those decisions than the council. Effectively that is what he is arguing, and I reject that absolutely! However, there is no doubt that there is enormous potential for efficiency gains in local government - -

Hon. Pat Power - Absolutely correct!

Hon. R. M. HALLAM - If that is the case we should leave it to local government to determine how those efficiencies are delivered. I believe local government is perfectly capable of making those judgments at the appropriate time, that is when elected councils are returned. They can make judgments as to where efficiencies will be delivered, whether it be in the form of reduced rates, improved services, or both. It would do Mr Power no harm to reflect upon the example that he cited of Geelong. I am interested that members who represent that constituency are no longer so interested in the outcomes for the City of Greater Geelong because it happens that it has been confirmed publicly that the projected savings are on line to be delivered within the first two years.

Hon. Pat Power - A l o n g with job losses.

Hon. R. M. HALLAM - I believe Mr Power would have to acknowledge that that is a great outcome!

### Road transport vehicles

Hon. G. B. ASHMAN (Boronia) - The Minister for Roads and Ports would be aware of the low clearance railway bridge over the South Eastern Freeway at Richmond and the number of occasions where trucks have collided with the height rails on that bridge. A fortnight ago an incident occurred that closed the freeway for a couple of hours. Will the minister tell the house what action can be taken to alleviate the problems of vehicles hitting bridges, and whether some sort of early warning could be given to them about their approaching a low bridge?

Hon. W.R. BAXTER (Minister for Roads and Ports) - T h e first thing that needs to be said is that trucks that strike that particular bridge are travelling illegally. The bridge is designed at a clearance height of 4.3 metres; in fact the clearance is somewhere between 4.43 and 4.53 metres. The maximum legal height for vehicles is 4.3 metres so if a truck strikes the bridge, it is travelling illegally. Of course it needs to be acknowledged that, like car drivers generally, not all truck drivers act within the legal limits at all

times. Each year approximately four trucks strike that bridge, but it happens that this year there has been an explosion in the number of incidents, particularly this month when incidents occurred on 11 May, 18 May and another on 19 May, which was the cause of the major hold-up to which Mr Ashman referred. It was fortunate no loss of life resulted.

Devices have been placed on both the eastbound and westbound approaches warning drivers that the bridge ahead has minimal clearance. It is clear that in those instances the offending truck drivers have either not seen the warning signs or have chosen to ignore them.

Investigations are under way to install new highly visible fibre-optic warning signs, such as those farther out on the South Eastern Arterial, which give drivers warnings about what lies ahead. Measures also being considered include additional electronic warning devices on the South Eastern Arterial and possibly at outbound entry ramps from Punt Road and city-boW1d ramps at Burnley. Consideration is also being given to the use of physical devices such as hanging chains. My colleague the Minister for Public Transport is keen to see those devices installed along the road on which he travels to Melbourne every week.

One solution which might appear obvious but which is being considered is the lowering of the road pavement in the order of 0.6 metres to provide increased height clearance under the rail bridge. Although that SOW1ds like a good solution, apart from the dreadful hold-ups while it was achieved, it would cost approximately \$1.5 million, which would be a poor use of scarce public funds. In the immediate instance an educational program is being instituted among the truck-driving industry by the Victorian Road Transport Association, the Transport Workers Union and the Truck Operations Committee. VicRoads will be reporting back to me on 17 June about other feasible measures.

### Road funding

Hon. R. S. IVES (Eumemmerring) - Concern has been expressed by councils that the state government has not passed on the windfall \$3.6 million for local roads from the 1993-94 commonwealth budget. That may set a deplorable precedent that could cost Victoria additional funding in future negotiations with the commonwealth. Does the final decision on this matter rest with the Minister for Roads and Ports or the Treasurer? Will the minister give an assurance

that the matter is still under active consideration by the government?

Hon. W. R. BAXTER (Minister for Roads and Ports) - The decision is a matter for the Treasurer. Nevertheless it cuts both ways and, on other occasions, it has moved in the opposite direction. The question is important; it raises the issue of untied road funds allocated to this state by the commonwealth government. Under the previous government's funding mechanisms, the funds were tied. However, the funds are not untied. Unlike some other states, Victoria is committing the whole of those funds to roads. I have no reason to believe that will not be the situation in the future under this government.

### Local government restructure

Hon. B. W. BISHOP (North Western) - Will the Minister for Local Government report to the house on any changes to the timetable for the restructure of municipalities?

Hon. R. M. HALLAM (Minister for Local Government) - I thank Mr Bishop for his question and for his continued interest in local government reform. Having received recommendations from the peak organisation, the Municipal Association of Victoria, particularly on behalf of the 28 constituent councils involved in the proposed north-west review, and having received a formal request for a deferral of elections in the region until after the review has been completed, the councils have agreed to the review being brought forward if elections are postponed. However, they request that the February completion date be retained.

The review of the area was originally scheduled to take place between November this year and February 1995, and elections were to go ahead in line with the usual municipal timetable scheduled for August this year.

If the commencement date is brought forward the completion date should likewise be brought forward. In my view the suggested seven-month review period is too long and would not be in the best interests of the councils themselves, given that it would unduly prolong uncertainty. Accordingly, in direct response to the request from the peak organisation and from the councils involved, I propose to reschedule the review of the north-west region so that it takes place during the period from August to November this year. That is the time frame for the review of the north-central region and

there is some advantage in the two reviews being carried out concurrently. The Local Government Board advised that it can meet the four-month timetable proposed.

In addition, on Friday 3 June I propose making a formal request to the Local Government Board for the review of the north-east region to take place between June and August this year.

### Local Government Board member

Hon. JEAN McLEAN (Melbourne West) - The Minister for Local Government will be aware that a member of the Local Government Board is also chief executive officer in his municipality. That person receives payment both as a chief executive officer and as a board member on the occasions when he is carrying out work for the Local Government Board. Does the minister agree that that is an appropriate financial arrangement?

Hon. R. M. HALLAM (Minister for Local Government) - Of course I am aware that the Local Government Board member to whom Mrs McLean refers is receiving remuneration for both roles. I can also report that that issue was canvassed carefully at the time the appointment was made to the extent that the employer in this case was very much aware of the process and was enthusiastically supportive of the appointment. In that case the appointment to the board was highly appropriate - -

Hon. Pat Power - Why has he resigned then?

Hon. R. M. HALLAM - Many people whom I respect in local government have argued most strenuously that the board's role and function would be strengthened if its membership included officers employed in local government. I believe that is a very good argument. As it happens the member of the board involved is now confronting the issue. The board is to receive a reference referring to his home territory and, as a matter of coincidence, today I regret that I received a letter of resignation from him on the grounds - -

Hon. Pat Power - You regret that he cannot continue to double-dip?

Hon. R. M. HALLAM - No, not at all. In fact, you do that member a grave disservice.

Hon. Pat Power - You welcome his double-dipping?

Hon. R. M. HALLAM - The basis of his resignation was to put the issue beyond doubt so that there was not the slightest inference of a conflict of interest. It is on that basis that a good member of the board has, as a matter of integrity, tendered his resignation. In some respects it is a matter of sadness because that board member served the board with distinction. I understand why he tendered his resignation, and I accept it with some regret. It is unfortunate that the shadow minister now casts some sort of aspersion; in this case it does the board member a grave disservice.

### Nursing home beds

Hon. S. de C. WILDING (Chelsea) - Will the Minister for Aged Care advise the house of the progress in developing a mechanism to enable the redevelopment of public nursing home beds?

Hon. R. I. KNOWLES (Minister for Aged Care) - Many public nursing home beds are in very poor and old facilities. It is almost impossible for nursing home beds to be provided in circumstances that meet the outcome standards laid down by the commonwealth or that operate on the CAM/SAM (care aggregated module/standard aggregated module) funding model, which is the basis for funding nursing home beds and which the government is committed to introducing for public nursing home beds.

The proprietorship and location of the beds are registered with the commonwealth government. After much discussion the commonwealth has now agreed to a mechanism that will enable us to transfer the proprietorship of those beds to a private or not-for-profit care provider providing a number of criteria are met - criteria the state government agrees should be met.

Firstly, that any transfer of beds meets the commonwealth government's planning guidelines to ensure an equitable distribution around the state on the basis of 40 beds per 1000 people over 70 years of age. Secondly, that it is undertaken in an appropriate manner that addresses the interests of staff. Thirdly, that any new proprietors are fit and proper people who are committed to delivering the standard of care that all of us would expect to be delivered to people in nursing homes.

Hon. D. R. White - What is your financial commitment to public bed funding?

Hon. R. I. KNOWLES - The government's commitment is to top up the funds to ensure the full CAM/SAM is available. We are still negotiating with the commonwealth in an endeavour to have it accept full responsibility for funding nursing home beds. We do not accept the view that the commonwealth should treat nursing home beds differently simply because they are in the public sector. Although we have been unable to do that we have reached agreement to fund public nursing home beds to full CAM and modified SAM status; but if we are to have an income stream that will allow the development to proceed we will have to guarantee funding to the full CAM/SAM model. The government will do that. Any agreements that are entered into will contain that commitment. If we can persuade the commonwealth to recognise that it should not treat nursing home beds differently, whether they are in the public sector, the not-for-profit sector or the private sector, that will enable us to free up some beds.

Hon. D. R. White - But you haven't got a financial agreement with the commonwealth?

Hon. R. I. KNOWLES - Yes, we have a financial commitment which will ensure that all public nursing home beds will be funded on a full CAM and modified SAM basis from 1 July this year. The government has taken a decision and given a commitment that it will top up funding to full CAM/SAM to enable those public nursing home beds to remain in public ownership. We do not envisage the status of beds which meet the outcome standards and which can operate on a CAM/SAM basis will change. The mechanism is a means of trying to ensure that the beds that are being maintained in very old, poor or costly facilities have an avenue to be redeveloped so that we can improve the outcome standards for the residents in those nursing homes and the services can be delivered on a cost effective basis.

The PRESIDENT - Order! The time for questions without notice has expired.

### TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

*Second reading*

Debate resumed.

Hon. PAT POWER (Uika Jika) - Before the debate was interrupted I was commending the government on the way in which it had consulted

## TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

Wednesday, 25 May 1994

COUNCIL,

849

with the tobacco industry and farmers to ensure that the deregulation bill is correct. Without hesitation, I believe the government should be commended for that. It is a pity that consultation is not more often part of its style.

The government has also funded the provision of an ethnic rural access worker. The Minister for Roads and Ports and Mr Evans would be well aware of how critical such a worker is to the consultation program, given the non-English-speaking backgrounds of so many of the tobacco farmers and workers in the industry. Again I commend the government for that approach.

In terms of the retirement aspects of the bill, I understand that on average farmers grow about 25 000 kilograms of tobacco as a consequence of their quota, which will entitle those growers who opt to retire to \$50 000. I acknowledge that \$50 000 represents a substantial contribution, but given the relocation, upskilling and other expenses that are involved in moving to new crops, I believe people with experience in farming enterprises will acknowledge that \$50 000 is not a great deal of money. I will support any attempts the state government makes to work with the federal government towards increasing the moneys that are made available to tobacco farmers who opt to retire. It would be dishonest for the opposition not to place on the record the fact that the federal government has a substantial responsibility in this area.

The question of the average payout that farmers who opt to retire might get is critically important when one considers that if they opted to go into cherries or berries the lead time before those alternative crops returned a substantial income could be a number of years.

One of the ways the state government could seek funds from the federal government is through the mechanism about which the opposition has questioned the government on a number of occasions: the funds that would compulsorily and automatically flow from the federal government as a consequence of the state government reaching its trigger point in respect of the disastrous floods of September-October 1993. An enormous amount of federal funds is sitting waiting to be tapped as a consequence of the state government reaching its \$31 million trigger point. I would support any attempt by the state government to encourage the federal government to provide some of those funds now or soon, even though that might be before the

state government reaches the level that triggers the federal government's involvement.

The rural adjustment scheme has also played an important part in the deregulation of the tobacco industry. It is not always understood that farming enterprises are a whole-of-life issue and that farming enterprises do not affect only the people who work in fields, in machinery sheds or on the machinery, they also affect the women who manage households and the sons and daughters of farmers who, because of the emotional stress that arises from farming issues, are very much involved. I understand departmental officers involved in the rural adjustment scheme have provided important advice about household support that might be available, about finances in general and home finance in particular.

I am sure the Minister for Roads and Ports and Mr Evans would be aware of the enormous support tobacco growers have received from municipal councillors. In anticipation I join with the government in placing on record the opposition's appreciation of the work they have done, which may be well above the call of duty. They have responded to tobacco deregulation as a community issue, and they are to be commended for the role they have played.

It is clear that tobacco growers have been under increasing pressure in the past few years. I emphasise again the role the federal government has played in the deregulation of the tobacco industry, and I hope it does not resile from the obligation placed upon it. Tobacco growers and their families have been under enormous pressure as a consequence of uncertainty about quotas and the viability of their farming enterprises. I cannot emphasise too much how local councillors have assisted. Given the announcement by the Minister for Local Government of altered dates for referral by municipalities in the north-west to the Local Government Board and given that the government is committed to sacking councillors and replacing them with commissioners, I am not sure how the people of the north-west and other areas will make do.

I mentioned that tobacco growers have been under pressure for some time. It is my understanding that in the early 1980s Australia produced 15.1 million kilograms of tobacco, but that had dropped to 8.1 million kilograms in 1993. That gives a clear picture of how the industry has been forced to reduce its production as a consequence of government

programs. Again I emphasise that the opposition acknowledges that the federal government has a major role to play in this program of restructure. The opposition would support any initiatives the state government took to encourage the federal government to meet its responsibilities.

I shall speak briefly about the downside of tobacco. I have had the good fortune never to have been a smoker. I describe it as good fortune because I suspect it was more good fortune than any conscious decision, and it might have had to do with being an ambitious half-forward flanker who did not want to reduce his lung capacity. I have certainly witnessed in my own family and among friends and acquaintances the consequences of tobacco smoking - serious illness or, in too many cases, death. I commend all the people in the community and in public office in this Parliament and in other places who have been committed to educative and public awareness programs that have led to people having a better understanding of the dangers of smoking and the addictiveness of nicotine. It seems that fewer young people are now taking up smoking. I urge all organisations and all members of Parliament to maintain their rage about the dangers of smoking.

It is unfortunate that cigarette advertising is a clever and insidious art form and, as our educative programs take effect in one sector of the market, it seems that cigarette advertisers move their attack to another sector. I am concerned that in recent times much of the advertising seems to have been directed at young women and seems to be having some effect. One of the most successful community-based programs to reduce cigarette smoking has been the Quit program. I am sure many people in this chamber are aware of how the Quit program was developed. It has had remarkable success in encouraging people not to take up the habit and in providing important assistance to those who either want to reduce their smoking or to quit smoking altogether. I do not want to dwell further on that issue because, as I said, I do not want to make this a forum in which those of us who do not smoke speak about this bill with more passion than those who do smoke.

The Minister for Roads and Ports and Mr Evans would be aware of the Tobacco Industry Revival Movement (TIRM) that has been established in their region. I am sure that organisation has written to those two members and others expressing concern about some growers being frightened to speak up. I do not want to canvass in detail the sorts of things

they said in their letter to me because I think some of it was fairly wide of the mark, but it nonetheless emphasises that the consultation and support need to continue.

Hon. D. M. Evans interjected.

Hon. PAT POWER - That is right. The use of access workers for people from non-English-speaking backgrounds needs to continue. I agree with the comment Mr Evans made by interjection that the correspondence that has come from TIRM ought to be seen in its true light.

In the past 15 to 20 years there has been an increasing interest right across Victoria and Australia in alternative cropping. That period of research and investigation will stand tobacco farmers in good stead should they choose to accept the retirement proposal and seek to move into other crops.

I said at the outset that I thought the King and Ovens valleys included some of the most beautiful country in Victoria. I was passing through that area recently and noted increasing evidence that chestnuts, a wide range of berries, including raspberries, cherries, apples, walnuts and grapes are all emerging as alternative crops. I am sure the Minister for Roads and Ports and Mr Evans would have better knowledge than I have of how economically viable they are. I await with interest to hear the detail from them. That is clear evidence that given the fantastic quality of the soil and the climate, farmers will have little difficulty moving to alternative crops, provided the infrastructure and support is available.

I also saw a number of paddocks with deer and emu in them. I understand that emus, in particular, are viable because the set-up prices are not as high as they are for ostriches, the feed arrangements are not as demanding and there is a capacity to obtain skin, meat and oil products from them.

The *Herald Sun* has for some time now been running a two-page combination layout of news and views from around the state. One page highlights a country issue and the facing page highlights a metropolitan issue.

The article on page 61 of the *Herald Sun* of 23 May addresses many of the issues we are debating today and sets out the spirit of so many people who work on the land: their determination to work through adversity, their capacity to accept challenges and, I

# TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

Wednesday, 25 May 1994

COUNCIL,

851

suppose, the proven track record of people on the land in surviving major obstacles and living to fight another day.

The article refers specifically to the interest in growing asparagus as an alternative crop and to Mr Nino Mautone, who has been a tobacco farmer for 28 years and who is moving to alternative cropping. Mr Mautone appears to have a quite exciting and visionary attitude about alternative crops and certainly has a grasp of the capacity that exists for high quality, fresh fruit and vegetables to be sold both within Australia and perhaps in Asian and Pacific markets. If Mr Mautone is an example of the sort of almost pioneering attitude that exists among tobacco farmers who will move to alternative crops, we will hear good news from the area.

The same article refers to comments by the Tobacco Growers of Victoria. They welcome the government's decision and the legislation but provide counsel that questions whether the amount of money tobacco growers will end up with will allow them to make the transition. I go back to the point I made earlier, that the opposition is prepared to assist the state government in any way it can to unearth federal funding to provide a top-up to what growers will receive to make the transition to new crops more viable.

When one drives through the Myrtleford area and sees the strong and healthy plants it is easy to think that all tobacco farmers have to do is plant the seedlings, wait for the rain or use the irrigation facilities, and away it goes. In fact, as the Minister for Roads and Ports and Mr Evans in particular know, it is not easy to grow tobacco. Tobacco farmers need to be skilled in planting, tending and harvesting the crop. That level of skill will stand tobacco farmers in good stead when they move to different crops.

If one looks right around Victoria, one sees that among farmers who have changed from one crop to another the farmers who have done the best have been those who were particularly skilled in the former operation. Farming is an enormous amount of hard work but it is also a highly skilled activity. Farmers learn their trade from the time they are old enough to follow their parents around the farm - from about the time they are three to five years of age - and it is not like, as Mr Mier can attest, a plumbing apprenticeship where one is able to learn the trade in three to five years. It takes a lifetime to learn farming, to be confident of weather patterns, to understand market movements and so on. I am sure

the skill level of tobacco farmers will stand them in good stead.

We should not underestimate the consequences of the bill. Although it is true that only 200 or so tobacco farmers and their families may be involved in the actual ownership and operation of the land, it is my understanding that some 3000 people are involved directly or indirectly in the tobacco industry. I am not talking about legislation that affects only the livelihood of 200 farmers and their families, there is a substantive change. That underlines the need to ensure that sufficient funding is available to allow all those workers to move into new modes of work.

One has only to visit the north-east of Victoria to get an insight into the importance of value adding. Whether one is at Milawa looking at the mustards, chutneys, pickles and sauces or in other parts of the north-east, one gets a strong view of the capacity of cottage industries, for want of a better expression, to use the products of alternative cropping. That capacity, as so often is the case, comes from women. We must recognise that farming requires more of husbands and wives than perhaps any other work, and if tobacco farmers can grow new crops to which people can add value and sell the products to the increasing tourist traffic, there is real reason for optimism.

The opposition supports the bill. It is an important step in addressing the realities of tobacco production and the health issues associated with the use of tobacco in the community. I hope this government and the federal government continue the program so that all tobacco farmers have the opportunity to move to new cropping so that the community is less troubled by cigarette smoking and its consequences.

Hon. D. M. EVANS (North Eastern) - I have pleasure in speaking on the Tobacco Leaf Industry (Deregulation) Bill. I have been closely involved in all the negotiations that have led up to the Victorian government giving the assistance it has been prepared to give and in all the preliminaries and the work over the past 18 months leading to the introduction of the bill.

I appreciated the comments made by Mr Power, his clear support and the offer to intercede with his federal colleagues on behalf of the tobacco growers that is implicit in his remarks. It is good to see the bipartisan approach on this issue.

# TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

852

COUNCIL

Wednesday, 25 May 1994

I shall deal briefly with the health issue. In reality the health issue and whether people should smoke has nothing to do with the bill. Smoking is a voluntary habit. Those who desire to smoke do so of their own free will. I gave up when I was eight years old, so I cannot be numbered among them. It must be understood that growing tobacco in Victoria or elsewhere in Australia does not increase or decrease the number of cigarettes smoked by our citizens. Given that only 57 per cent of the tobacco consumed in Australia is grown in Australia, we simply produce an import substitute. Even if we grow no tobacco in north-eastern Victoria or anywhere else in Australia, I doubt whether one less cigarette would be smoked by Australians. But that is not an issue for this bill.

There has been a significant decline over the past three or four years in the requirement for raw tobacco for manufacture into cigarettes in Australia - I stress, raw tobacco. As a result, a very viable industry that provided a living for many people in north-eastern Victoria is under significant pressure. The amount of quota tobacco in the whole of Australia has fallen from about 135 million kilograms some three or four years ago to about 81 million kilograms today.

As a result of that and the significant decline in the income and, therefore, the viability of some 200 tobacco quota holders in north-eastern Victoria, the government was called on to give assistance. I wrote the first submission on the tobacco industry for presentation to the government in November or December of 1992. I did that because I have a lot of contacts in the tobacco industry and, as the local member of Parliament, they sought my assistance. At one stage all but one of the tobacco growers in Victoria was in my province. The only one who was not - he was in the area around Gunbower - has since come into my province.

Hon. W. R. Baxter - But he is no longer growing tobacco.

Hon. D. M. EVANS - No. During the boundary redistribution, Moyhu and King Valley and Cheshunt and Myrrhee, south of Whitfield, and the top of the King Valley, were moved out of the old North Eastern Province, which I still represent. My next-door neighbour at Myrrhee grows tobacco and hops. The areas around Myrtleford, the Buckland River and Tawonga South, near Mount Beauty, are represented by the Minister for Roads and Ports.

When I was drawing up the case for assistance for the industry I received strong support from parliamentary colleagues in north-eastern Victoria, particularly from the state sphere. I was supported by Mr Stoney and Mr Craige, both of whom, in the redistributed Central Highlands Province, will take up significant responsibility for the tobacco-growing areas. Mr Stoney already has in his province the Myrtleford and Bright areas plus King Valley.

I thank the Minister for Roads and Ports, who has represented the tobacco-growing areas for almost as long as I have. Given that he represented some of them in the Assembly from 1973 to 1976, he may well claim to have a longer parliamentary association than I have with the tobacco industry. He also has a dear and complete understanding of the industry. We were able to obtain the support of the Deputy Premier, whose Legislative Assembly electorate includes significant tobacco-growing areas.

Most particularly, I thank the Minister for Agriculture; and if I can, without embarrassing them, I will also mention members of his staff. I will not name them because I am not sure that that is the correct thing to do. However, three members of the minister's staff - they will know who I mean - put in an enormous amount of work to prepare proposals for consideration by the government. They worked above and beyond the call of duty on behalf of Victorian tobacco growers to bring some degree of sanity to an industry under significant threat. I also acknowledge the support of my two lower house colleagues the honourable members for Benambra and Murray Valley. Lastly, I thank the Treasurer for the understanding he showed in coming to grips with a difficult proposition in a very localised and difficult-to-understand industry. As Mr Power said a few minutes ago, the shires, municipal councils, members of the community, the Wangaratta Regional Development Association and many others threw their support behind the need to do something for the industry.

Let us consider why that necessity arose. At the outset I said Australia had experienced a decline in the consumption of raw tobacco. That does not equate to the amount of smoking that takes place, and it is important to understand that. I suspect that smokers are smoking fewer cigarettes because of the fact that many Victorian workplaces at present have smoking bans. No doubt honourable members have seen smokers in the open air, in the laneways of the city indulging in their voluntary habit.

## TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

Wednesday, 25 May 1994

COUNCIL

853

The decline in the consumption of tobacco has been influenced by health advertising and, more significantly, the issue of taxes. It is worth noting the amount of taxes levied on tobacco - for example, the federal excise on tobacco rose from \$31 per kilogram in 1983 to \$58 per kilogram in 1993. Revenue was up from \$960 million to \$1500 million in 1993. In percentage terms in 1993 state licence fees rose from 12 per cent to 75 per cent - a rise from \$47 million to \$310 million. Since then the October 1993 federal budget imposed another significant increase in tobacco excise duty. Because the two are tied, that was followed by a simultaneous rise in state excise fees. For the financial year that is about to end that will net the state government another \$5 million, taking the overall amount up to \$315 million. In a full year the increase will be between \$12 million and \$15 million.

At present the tax on a \$5 packet of cigarettes is more than \$3. That means approximately 65 per cent of the total cost is taken up in taxes. That has been a significant cost disincentive to people smoking tobacco. Perhaps even more importantly - this comes down to the issue of fact - raw tobacco consumption has gone down. More cigarettes are being spun from each kilogram of tobacco than there were six, seven, or eight years ago - for example, in 1985 approximately 1400 sticks of cigarettes were spun from each kilogram of tobacco. Now, due to different manufacturing techniques and a fashion for slimmer cigarettes, the number has risen to 2000 cigarettes. That represents something like a 35 per cent increase in 1992. I understand that with the greater concentration on marketing slimmer cigarettes that figure has probably risen considerably. Now it may well be up to 2200 or 2400 cigarettes for each kilogram of tobacco.

Federal excise is levied not on the number of cigarettes but on the weight of the tobacco. That is a significant cost incentive for the manufacturing industry to produce more cigarettes from every kilogram of tobacco. For tobacco growers, the cost of tobacco in each packet of cigarettes is less than 10 cents. Except for the pressure exerted by the taxation levied that very small amount would not encourage manufacturers to invest in the technology.

A further factor that is often misunderstood is that until recently cigarette manufacturers - there are now three in Australia; Wills, Rothmans and Phillip Morris - carried approximately 18 months worth of tobacco stocks for manufacturing purposes. It is called their stockholding. That significant

investment is probably worth in the order of \$70 million or \$80 million in current terms.

Hon. Pat Power - Just in leaf?

Hon. D. M. EVANS - Yes, in bale form. A curing process occurs in the bale. Because tobacco is a seasonal crop, it is sold from May through to August. It is produced and picked - they may still be picking in some areas of north-eastern Victoria - from late January until May. The stock used to be held for 18 months. Because of the storage costs and the lack of certainty about the deregulation of the Australian industry in 1995, there has been a significant reduction in the industry stockholding to approximately 10 months. That means almost 12 months of production has been taken out simply by reducing the stockholding over the past two or three years. That will stabilise in due course. Those remaining in the tobacco industry are optimistic that the reductions in consumption and demand for Australian leaf apparent in the reduction in the stockholding will shortly cease.

Let us examine the history of the tobacco industry. Since early times tobacco has been grown very widely in Australia. My family grew tobacco until about 1940. I can just remember - I was a very small child - when the last of the tobacco was put through the kiln with a wood fire. Even a couple of years after that tobacco was harvested some was still seen hanging in the woolshed. Tobacco has been grown throughout the country - up as far as Gunbower, to the east and west of Benalla and in the plains country. It was very much a cottage industry, often grown without, or with very little, irrigation. There were significant disease problems - mainly blue mould, which attacked plants particularly in sultry or thundery weather. If you harvested one top crop in four years you did very well. Usually you would obtain perhaps one or two reasonable crops and one total disaster in every four-year period. Growing techniques gradually improved. Growers could deal with the blue-mould problem through the application of various new products developed in the 1950s and 1960s. Better irrigation practices and better cultivation meant that it was possible to grow tobacco well - it became a far more certain crop. There were no longer huge fluctuations in production. At that time tobacco was also a profitable crop. Obviously the result was significant increases in production - farmers were able to grow more tobacco per acre or hectare, as they are called today. We called them acres in those days - and I still do. However, the result was significant overproduction.

In the early 1960s - I am sure Mr Baxter will recall - some interesting battles took place on the tobacco-selling floor. Those in favour with the buyers sold tobacco at good prices and those who were not did not. It was open warfare on the tobacco-selling floor down at Dalgety's woolstores at Kensington in those days. Some of the cooler heads in the tobacco industry at that time, Len Allan and perhaps Ian Meeking and various other people such as Doug Hamilton - -

Hon. W. R. Baxter - I'm not sure I would call Doug Hamilton a cool head.

Hon. D. M. EVANS - Cooler head was the point I made! Bill McGuffie and others formed a group that put a proposition for the stabilisation of the tobacco industry to the then Deputy Prime Minister and trade minister of the day, Sir John McEwen. His word counted for something at the time and the commonwealth government introduced the tobacco stabilisation scheme in 1965. Under that scheme the manufacturing industry, in return for getting a rebate on excise duties paid on the imported tobacco, agreed to a 50 per cent Australian leaf content in tobacco manufacturing processes. Over time that has increased voluntarily to 57 per cent, which is the figure provided for under the current stabilisation plan.

The three principal buyers are Rothmans of Pall Mall (Australia) Ltd, W. D. and H. O. Wills (Australia) Ltd and Philip Morris Ltd. Tobacco is sold under a floor price scheme. All tobacco is graded, and buyers purchase tobacco at the list price according to the grade. There are approximately 112 different grades and each grade is assigned a regulated price. The buyers accept the price of the grade they choose, based on the proportion of their share of the Australian tobacco market. Disputes are settled by arbitrators.

The stabilisation scheme, which was established by the federal government in 1988, will be phased out at the end of 1995. Under that scheme Victoria has 37 per cent of the total Australian market. Queensland has 58 per cent and northern New South Wales and a small part of southern Queensland have approximately 4 per cent. The amount of tobacco manufactured from Australian leaf has declined from 12.5 million kilograms in 1993 to 8.1 million kilograms in the current selling season. That is a huge reduction and means that Victoria's share of the market will fall from 4.5 million kilograms to 3.1 million kilograms in the current season. The average price is about \$6 a kilogram.

The best quality grades can demand up to \$8 or \$8.50 a kilogram, and the lower quality grades may fetch from \$3 to \$4 a kilogram.

Last year the Victoria industry earned \$30 million, which was generated mainly in the Myrtleford and King and Kiewa valley areas. That is estimated to fall to about \$18 million this year, a reduction of almost 40 per cent. The federal government was asked to assist the industry, as a result of which the Honourable Simon Crean, the then federal primary industry minister, referred the issue to the Industry Commission. Its draft report, which was issued a few weeks ago, was not terribly helpful. I was not surprised by that, because the commission had not looked favourably on the industry on previous occasions. I do not know of an industry to which the commission has been friendly; but it is certainly not a great friend of the tobacco industry - and I see Mr Power nodding in agreement. The commission's report said that protection should be phased down from 25 per cent to 5 per cent by 2002.

Another important problem arises from the fact that Australia is a signatory to the Uruguay round of tariff reductions. It is regrettable that the boffins in Canberra who presented the case for the Australian tobacco industry told the advisory committee that they knew the figures and did not need any advice. Unfortunately, they took the 1986 production figures of about 13.5 million kilograms and negotiated Australia's requirement on the basis of protecting that level of production, not the current level of 8.1 million kilograms, so the extent of the protection will vary significantly as a result. There was frenetic activity in Canberra in an attempt to overcome the bungling of people who did not have the good sense to ask the industry what the real figures were.

My constituents and the others whom I have mentioned, including the Minister for Roads and Ports, Mr Craige, Mr Stoney and the honourable members for Murray Valley and Benambra in the other place, expressed a desire to get assistance from the Victorian government in the form of an orderly restructuring of the industry. It was clear to those who knew the tobacco industry well that if something were not done the huge and permanent reduction in demand for Australian tobacco leaf would result in industry participants falling in a screaming heap, as a result of which action would be required to pick them up.

We tried to prevent that disaster by bringing sanity to the industry through an orderly restructuring program. That is the reason for the bill, to assist the

## TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

Wednesday, 25 May 1994

COUNCIL

855

industry through cash advances. Under what is called the buyout scheme, growers can surrender their quotas on the proviso that they do not produce tobacco for five years, leaving the downsized industry to a smaller number of growers, who between them could grow up to 80 or 90 per cent of the current quotas and thus retain their viability.

To achieve that end the Victorian government was prepared to advance \$3 million. That does not sound a lot of money, and for some it is not. But the government is receiving another \$5 million due to changes in the federal taxation regime, so slightly more than half that amount is being used to assist the industry.

Part of the plan calls for the industry to deregulate one year in advance of full deregulation and the phasing out of the commonwealth stabilisation scheme in 1995. It is important to understand that the buyout scheme is voluntary. No grower has to or should be forced to take the money. It is hoped that growers will know whether they can grow tobacco that makes the grade and meets the requirements of the manufacturing industry. If they can, they will have some hope of long-term futures. Those growers who cannot grow the type of tobacco required in a deregulated marketplace may not be able to command the market price, and it is hoped that they will voluntarily retire from the industry, perhaps the older ones selling up their farms and retiring if their children do not want to stay in the industry or moving to another sector of primary production.

The assistance will be in the form of five-year non-interest-bearing loans. A tobacco grower who has a quota of 25 000 kilograms worth \$50 000 and who desires to retire from the industry will receive a cash loan of \$50 000. He will not pay interest on the loan; and at the end of the five years, and provided he has not grown any tobacco during that period, it will become his money. If you change your mind during that period of three years, for example, and the tobacco industry is going well and you want to enter the industry again, you simply repay the \$50 000 to come back in. There is absolutely no finality to a decision. A grower can get back in if he wants to.

I believe some growers will leave the industry because it is likely that a return on a kilogram of tobacco will come down from the average \$6 per kilo to \$5 per kilo. However, I am assured by people who grow tobacco that one of two things will happen: firstly, a grower who can grow tobacco and get a reasonable living at \$5 per kilo, or, secondly, a

grower who has the capacity to grow the better quality tobacco that manufacturers and the industry require will continue. It is not simply a matter of skill; other issues are involved in growing good tobacco.

It is no accident that the industry has withdrawn to the valleys of north-eastern Victoria. A key requirement for growing good tobacco is the right micro-climate - that is, the right day or night time temperatures, the right degree of moisture in the air, the correct number of hours of sunlight and the right soil types. Some farmers have not only the necessary skills but also the right micro-climates and soil types to grow tobacco. It is those people who will stay in the industry and will have a future in it.

The Victorian government had made other arrangements to assist tobacco growers. The Minister for Planning had indicated that the planning laws would be relaxed, particularly for the existing houses of share farmers on existing tobacco farms. Some years ago significant numbers of share farmers worked in the tobacco industry. If local planning schemes do not allow those farmers to subdivide sharefarmer houses, there is a process now in place under which those houses can be excised off and significant cash incomes can be gained as a result of small subdivisions. They are very attractive in parts of the upper King, upper Ovens and Tawonga valley areas.

Most importantly there is something for both sides in the arrangements, and that is the crux of the matter so far as the orderly restructure of the industry is concerned. That was the selling point on which the industry representatives, particularly Mr Angelo Rigoni and Mr Colin McCormack, got together with the expert advisers to the Minister for Agriculture. That was a key point in selling to the Treasury and the Victorian government the need to obtain the money that came forward.

Those who remain in the industry will have the opportunity in a deregulated market to grow better quality tobacco to the manufacturers specifications. Some 2000 hectares of land is currently used for tobacco growing, which will probably be reduced to about 1200 hectares this year because production has gone up from 1500 to 2500 kilograms per hectare over the past 10 years. Those who take the \$2 a kilogram price will be able to use the land made free as a result of no tobacco being grown for growing alternative crops. Mr Power mentioned some of those crops, including various cut flowers, vegetables such as asparagus, mint oil, apples,

## TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

856

COUNCIL

Wednesday, 25 May 1994

chestnuts, emus and various berries. However, few if any of those crops will have the same cash return or gross return per hectare as tobacco.

Large areas of grapes are being planted in the valleys of north-eastern Victoria to produce the premiums wines for which the district is famous and which are increasingly becoming attractive on the export market. But they have a lead time of four to five years before producing income. It is not just a simple matter of using the existing skills in the area, great as they may be, to move across to growing alternative crops.

The most helpful thing Mr Power can do is to suggest to the commonwealth government that the best way it can assist the industry is by helping not only to provide research funds but also to develop alternative crops. That may require a cash injection for the infrastructure required to grow asparagus or other crops. Infrastructure may also be required to get products out of the valley and onto the overseas market quickly. The commonwealth can help not so much by giving cash grants to those leaving the industry but by providing assistance to people moving out of the tobacco industry to establish viable alternative crops.

Some \$18 million this year goes into Myrtleford and other areas from tobacco growing. The tobacco income is of economic importance to the district. Figures provided to me a little over 12 months ago indicate that the actual full-time employment in the industry at the end of 1992 was 558, including growers and their families. Part-time work is provided for between four to six months for approximately 1200 people, with some limited short-term work in the office at the harvest and tobacco selling floor in Myrtleford, a significant employer in that district.

The competitors of those who remain in the industry include growers in Queensland. Last August I had the opportunity of visiting the tobacco-selling floor at Mareeba in Queensland. The industry in that state has also suffered significant problems and has sought assistance from the state government, apparently without much success. A principal reason for that was that some years ago the Queensland government made a grant of about \$10 million to the Queensland tobacco industry to assist restructuring. It did not invest the money in alternative crops but in better equipment and in debt reduction. However, they are now feeling the effects of what in hindsight appears to have been a bad investment.

Queensland growers can grow tobacco in winter or summer. In Victoria the crop is planted at the end of October and harvested at the end of May. The same methods are used, which results in flue-cured tobacco, which is dried in kilns with an air blast at 120 degrees Fahrenheit or 45 degrees centigrade. Although Queensland growers can grow tobacco during either winter or summer, they have opted for winter-grown tobacco because that avoids the monsoon season and damage from hail storms. However, that does not produce tobacco of such good quality as that produced in Victoria.

Queensland also has been a little slower than Victoria in moving towards restructuring its industry. The restructure in Victoria is epitomised by the legislation before the house today. If Victorian growers do their job well, not only will they be able to produce a better quality tobacco than that produced in Queensland - I do not want to go into the technical details, although I have them if any one is interested - but also, because they are advanced in restructuring, they will have got off very quickly on the front foot. Again that was a selling point in the case put to the Treasurer.

Assuming there is a continuing need for Australian tobacco - manufacturers, at least Philip Morris, have indicated that to be true when I met them on a number of occasion on tours of their works with my colleagues - a good opportunity exists to maintain an industry in Victoria and to increase Victoria's percentage of the total amount of tobacco produced in Australia.

The reason the manufacturers are desirous of maintaining Australia's production is that as manufacturers they need to retain their future viability. There have to be a certain number of cigarettes going through the Philip Morris plant down at Moorabbin for the plant to remain viable. It is important to have the stability of access to raw tobacco that the Australian crop can provide; however, there is also a need for tobacco of a quality that is not readily available in Australia. For example, the United States of America, Malawi and Zimbabwe are three of the major exporters of tobacco. They are not necessarily the only major producers: China is the biggest producer by far, and Australia produces less than one-fifth of 1 per cent of the total amount of tobacco produced.

So far as Australian manufacturers are concerned the United States of America produces tobacco with aromatic qualities that smokers desire and demand. It is important that, if it is to compete with tobacco

## TOBACCO LEAF INDUSTRY (DEREGULATION) BILL

Wednesday, 25 May 1994

COUNCIL

857

that lands on our shores, Australian tobacco must be of good quality. Malawi is one of the smaller African nations but it produces tobacco of a high quality with the aromatic qualities that are desired and to an extent can fill in for the aromatic qualities of the American tobacco.

Another major competitor is Zimbabwe. In the spring of 1990 I visited Zimbabwe and had a discussion with Mr John Cockburn of the Zimbabwe Tobacco Growers Association in Baker Avenue, Harare. I came to some understanding of the industry and learned that there were 1550 tobacco growers in that country growing tobacco on some 60 000 hectares of mainly poor, sandy soil depending heavily on fertilisers. The comparable figure for Australia at that time was 2000 hectares. The tobacco production was flue cured, using mainly coal-fired burners; however, there was a further production of approximately 6 million kilograms of air-dried tobacco.

In 1990 Zimbabwe's tobacco industry produced 130 million kilograms of tobacco; that was expected to increase significantly to 140 million kilograms in 1992. The average tobacco farm in Zimbabwe consisted of 42 hectares, compared to a Victorian farm of 10 hectares. Instead of employing a few day labourers during the harvesting season with an average employment on a Victorian tobacco farm of five to seven workers, there were an average 65 full-time workers and 60 casuals on each Zimbabwe farm, and the average wage in Zimbabwe was \$26 per day, that is \$A3 a day. Tobacco income for Zimbabwe is some \$Z800 million - that is, \$A400 million. Tobacco provided a potential export income of \$21.4 billion for Zimbabwe - that is, \$A700 million at the 1990 exchange rate.

The average price to growers is about \$26 or \$A3 per kilogram. After allowing for the significant cost in transporting the tobacco to Australia, Zimbabwe's tobacco probably holds a cost advantage of \$A1 to \$A1.50 per kilogram when landing in Australia. For those honourable members worried about the use of sprays on tobacco I point out that Zimbabwe uses significant amounts of spray. Zimbabwe's yield per hectare is slightly below that of Australia's: 2200 kilograms per hectare. However, the very scale of its fanning enterprise and the availability of cheap labour means that Zimbabwe can keep its costs down, making it very competitive.

Tobacco provides an important part of the total export income for Zimbabwe, which has limited exports; mainly a few minerals and a small amount

of timber - although timber export is now almost non-existent. The government will vary its exchange rate compared to other currencies of the world so that it can retain its competitiveness with tobacco. Regardless of what the government does in Australia, if necessary the Zimbabwean government will drop the value of its dollar to make its tobacco competitive on a world market. However, as I indicated, the manufacturers in Australia - for good reason - require a continuing supply of Australian tobacco. At the moment a limited export market has developed, I understand in the Middle East, in the form of cigarettes which have an Australian leaf content.

Hon. D. R. White - What age were you when you gave up smoking?

Hon. D. M. EVANS - I was eight.

An Honourable Member - What did your mother say?

Hon. D. M. EVANS - She didn't know anything about it.

Hon. D. R. White - Did you smoke cow manure?

Hon. D. M. EVANS - I didn't get to cow manure! When the industry is fully deregulated there will be no legislated grading. There will be an emphasis on tobacco quality, and I believe there will be a significant development of better varieties of tobacco. American experts have been brought to Australia already to assist in the development of better varieties of tobacco.

For those brave enough to stay in the industry, and I believe there is a future for tobacco, this legislation is an integral part of that future. I congratulate the industry on its efforts to assure its future. I trust that negotiations will conclude shortly with those who are to leave the industry, and that the setting up of the new cooperative which clause 5 of the bill requires will be carried through smoothly as soon as possible.

I am aware of the Tobacco Industry Reform Movement; I believe it has not served the industry well. It has created a diversion at a time when no diversion is needed. I have said that to the people involved and I stick by that comment.

I congratulate the Minister for Agriculture, Mr Bill McGrath; the Deputy Premier, Mr Pat McNamara, and my colleagues Mr Craige, Mr Stoney, Mr Baxter,

Mr Plowman and Mr Jasper. I strongly support the bill, and I thank members of the opposition for their support.

Motion agreed to.

Read second time.

*Third reading*

Hon. W. R. BAXTER (Minister for Roads and Ports) - I move:

That this bill be now read a third time.

I thank Mr Power for his support on behalf of the opposition. It is warmly welcomed, and I thank also Mr Evans for his outstanding contribution to the tobacco legislation. It ought to be noted that Mr Evans was the architect of the legislation and the promoter of it; if it had not been for his persistence on behalf of the industry the bill would not have come about. He has been a fine exponent of the industry since he came to the house and he has carried on from where his predecessor Mr Ivan Swinburne left off.

Mr Evans has never advocated smoking as a desirable habit, but has consistently maintained that while smoking was legal and tobacco was being consumed it made sense to support the industry in Australia, and it is an industry that has been significant to the economy of north-eastern Victoria, particularly the Ovens and King valleys.

I join with Mr Evans and Mr Power in noting the skills of the current generation of tobacco growers. Mr Evans and I attended a function at the Happy Valley Hotel in Ovens a year or two ago and I was impressed by the attitudes being expressed by the younger tobacco growers. I believe those growers remaining in the industry will continue with their skill. Those that shift towards alternative crops will be provided with an opportunity to adapt to new products in an efficient manner in exactly the same way as Mr Power was drawing analogies to. The farmers who have skills and initiatives in one area generally can exhibit similar skills and initiatives in another field.

I believe that the economy of north-eastern Victoria will suffer some ups and downs over the next few years as the changes come about, but the long-term future is good.

Motion agreed to.

Read third time.

Passed remaining stages.

## PUBLIC PROSECUTIONS BILL

*Second reading*

Hon. HADDON STOREY (Minister for Tertiary Education and Training) - I move:

That this bill be now read a second time.

In 1982 a major step forward was taken in the administration of criminal justice in this state with the passage of the Director of Public Prosecutions Act. This reform was an important innovation at the time, and in the decade that followed was mirrored in broad terms by all of the Australian jurisdictions. In important respects, however, the structure set up in 1982 has exhibited significant flaws. Those flaws have been exacerbated by continuing developments in the law, which have resulted in the work of the prosecutions office becoming increasingly complex and difficult. With the benefit of more than a decade of experience and with the examples of the other Australian jurisdictions, it is now time again for Victoria to institute a major reform to ensure the continuing proper function of our prosecution system.

The bill before the house maintains and indeed strengthens the position of the Director of Public Prosecutions. The bill creates the positions of Chief Crown Prosecutor and Solicitor for Public Prosecutions and establishes the Office of Public Prosecutions, the Director's Committee and the Committee for Public Prosecutions.

The bill renames the Prosecutors for the Queen, Crown Prosecutors and brings them under the administrative control of the Chief Crown Prosecutor who has all the functions and powers of a Crown Prosecutor and is subject to the control and direction of the director. The position of Chief Crown Prosecutor, who will be entitled to the salary and allowances payable to a judge of the County Court, will handle the administrative management of the Crown Prosecutors.

## DIRECTOR OF PUBLIC PROSECUTIONS

The Director of Public Prosecutions Act established the position of director, and the bill before the house recreates the position in substantially the same terms. The director is appointed by the Governor in

Council, is entitled to the same salary and allowance as is paid to a puisne judge of the Supreme Court and is not subject to the provisions of the Public Sector Management Act.

The bill allows for the appointment by the Governor in Council of an acting director and an acting Chief Crown Prosecutor. The qualification, retirement, pension, resignation and removal provisions of the Director of Public Prosecutions Act have also been retained. The age requirements have been removed. The current director will be deemed to be appointed as Director of Public Prosecutions under the new act.

#### FUNCTIONS OF THE DIRECTOR

The bill preserves all the core powers and functions of the director while creating a requirement that defined 'special decisions' may be exercised only after convening a Director's Committee to consider the decision. That mechanism preserves the independence from government of prosecutorial decisions, while giving the decision maker and the community the benefits of consultative process for use in a limited class of special cases.

The special decisions include the entry of a nolle prosequi to a presentment signed by a Crown Prosecutor or the entry of a nolle prosequi against the advice of a Crown Prosecutor or private counsel briefed to advise, the presentment of an accused where a Crown Prosecutor has declined to make presentment, the decision to appeal against or seek relief or remedy in respect of an order of the Supreme or CoWlty Court quashing or granting a permanent stay of a presentment or counts in a presentment on the ground that to try the person for the offence would be an abuse of process, and the furnishing of guidelines to persons involved in prosecutions with respect to the prosecution of offences.

#### THE DIRECTOR'S COMMITTEE

The bill establishes a Director's Committee which must be convened by the director if he is making a special decision. The Director's Committee consists of the director, who is chairperson, the Chief Crown Prosecutor, and, if the decision involves the decision of private counsel or a Crown Prosecutor, that counsel or prosecutor or, if there are more than one counsel or prosecutor, the most senior counsel or prosecutor. In other situations or when the Crown Prosecutor or other counsel is not available, the third member of the committee is the most senior Crown Prosecutor available.

The role of the Director's Committee is to advise the director on the special decision under consideration. The issue considered by a Director's Committee is to be determined by a majority of votes with the director having the casting and deliberative vote.

The bill provides that although a particular decision is a special decision, the director will not be required to convene a meeting of the Director's Committee if the other two members of the committee have provided written advice on the special decision and informed the director in writing that it is not necessary in that member's opinion to convene a committee meeting.

Although the director is required to convene a Director's Committee, with the exception mentioned, he or she has the power to act contrary to the advice provided by the other members, the only requirement being that on occasions where the director wishes to act contrary to the advice of the other members he or she must submit a written statement to the Attorney-General which sets out that decision and the reasons for it. That is also to be included in the annual report. The Attorney-General is, within seven sitting days of receipt of the statement, to lay this statement before Parliament.

There may be situations where the director is of the opinion that it is in the interests of justice that the written statement in relation to a particular matter should not be laid before Parliament until the matter is finalised. In such situations the director is to inform the Attorney-General in writing of this at the time of providing the written statement and again inform the Attorney-General in writing within seven days of the determination or discontinuance of the matter. Within seven sitting days of the receipt of this information from the director, the Attorney-General is to lay the written statement before Parliament.

The primary role of the Director's Committee is an advisory one to enable the director to obtain advice before making particular decisions without limiting his or her power to make a final, independent decision.

#### CRIMINAL CONTEMPT

The commencement of proceedings for contempt of court is a function of particular significance to the integrity of the judicial system. The power to bring an action for criminal contempt is to be vested in the Attorney-General acting only on the advice of the Solicitor-General. There is considerable support for

both the proposition that actions for criminal contempt should not be brought by way of presentment in the same manner as other criminal proceedings but be brought under the rules of the court, and that it is a matter more properly handled by the Attorney-General. By vesting the power to bring actions for criminal contempt in the Attorney-General, acting on advice, the perceived danger of a conflict of interest is avoided in situations where the director seeks to make presentment for contempt against a party whom he or she is also prosecuting for criminal charges which may be either before the court at that time or being considered by the director or where the prosecution for contempt relates to such matters. This, however, does not prevent the director from referring matters of criminal contempt to the Attorney-General.

#### DELEGATION

The power of the director to delegate functions to the solicitor is accompanied by a similar power to delegate functions to the Chief Crown Prosecutor. The powers of delegation do not extend to the power to make presentment or the power to enter a nolle prosequi, to any function or power as a member of a Director's Committee, to the power to give authority, sanction under any act or consent required by or for the commencement of a criminal proceeding or to the power of delegation itself.

The bill directs the director, in the discharge of the functions of the director, to have regard to proper considerations of justice and fairness, the need to conduct prosecutions in an effective, economic and efficient manner, and to ensure that the prosecutorial system gives appropriate consideration to the concerns of victims of crime. The provisions of the Director of Public Prosecutions Act that define the relationship between the director and the Attorney-General and which establish the independence of the director are preserved.

#### CROWN PROSECUTORS

Before the passage of the Director of Public Prosecutions Act 1982 the Prosecutors for the Queen were collectively the main indicting authority in Victoria. With the creation of the Office of the Director of Public Prosecutions, their role continued parallel to but only incompletely integrated with the new structure. The number, status and morale, though not the quality, of the Prosecutors for the Queen have declined significantly since 1982, most severely in recent years. An unprecedented resignation rate and an inability to attract sufficient

candidates of appropriate standing have seen the prosecutors' numbers drop from 19 in 1981 to 9 today.

An important product of this development has been the increase in the cost to the state of briefing private counsel to appear on behalf of the Crown in criminal prosecutions. In the reporting year commencing 1 July 1986 the Director of Public Prosecutions spent \$3 212 477 on briefing members of the private bar. By June 1990 that figure had shot up to \$6 251 754. In the last three reporting years, the amount expended on professional assistance has been \$7 million, \$6 978 363 and \$7 661 825 in the 1992-1993 period. Expenditure at this rate cannot be continued and further escalation cannot be allowed.

The bill before the house repeals section 352 of the Crimes Act, and places the statutory basis of the office of Crown Prosecutor within the Public Prosecutions Bill.

The Bill provides that Prosecutors for the Queen who hold office by virtue of that section will be entitled to be appointed Crown Prosecutors under this act.

Crown Prosecutors are to be appointed by the Governor in Council, either as Senior Crown Prosecutors appointed for 10 years, or as Crown Prosecutors appointed for periods of up to 10 years on a full-time or part-time basis.

The bill details qualification, retirement, pension, resignation and removal requirements for Crown Prosecutors. The existing Prosecutors for the Queen will be entitled to be appointed as Crown Prosecutors for a term equal to the balance of the term of his or her appointment as a Prosecutor for the Queen.

Any leave of absence entitlements are to be preserved and the appointment will be on terms and conditions with respect to salary and superannuation which are no less favourable than those relating to the office held as Prosecutor for the Queen.

The bill provides Crown Prosecutors with the functions of acting as independent indicting authorities under section 353 of the Crimes Act, conducting and appearing as counsel in proceedings on behalf of the director, and the carrying out of such other functions as are required by the director.

The new structure gives the Crown Prosecutors a defined place within the prosecution system while preserving their independence. It provides a career structure that differentiates between senior and junior counsel, and will encourage talented advocates at different stages of their careers to offer their services to the Crown.

#### **SOLICITOR FOR PUBLIC PROSECUTIONS AND OFFICE OF PUBLIC PROSECUTIONS**

At present the Director of Public Prosecutions performs the roles of both chief executive for the prosecutor's office and chief prosecutorial decision maker in this state. The incidental responsibilities of the first role necessarily detract from the director's performance of the crucial functions of the second role. The appropriate qualification for the latter role - a distinguished career as a barrister - will not necessarily provide an appropriate background for performing the duties attached to the chief executive role. The combination of the two functions denies the prosecutions office the leadership of a specialist administrator.

The bill before the house establishes the Office of Public Prosecutions and provides that the Solicitor for Public Prosecutions will be its head. The solicitor will have the terms of appointment and the powers of a departmental head under the Public Sector Management Act. All the staff currently employed under section 8 of the Director of Public Prosecutions Act 1982 will be deemed to be staff employed by the Office of Public Prosecutions.

#### **FUNCTIONS OF THE SOLICITOR FOR PUBLIC PROSECUTIONS AND THE OFFICE OF PUBLIC PROSECUTIONS**

The bill provides that the functions of the solicitor will be to perform functions delegated to the solicitor by the director, and to manage the Office of Public Prosecutions. The solicitor also has the function of briefing Crown Prosecutors and private counsel to appear on behalf of the director and is a member of the Committee for Public Prosecutions. It is intended that Crown Prosecutors will be briefed to appear or advise whenever possible. The solicitor is only to brief members of the private bar following consultation with the director.

The solicitor will possess a power to delegate to members of staff of the Office of Public Prosecutions any of the solicitor's functions or powers under the act other than the power of delegation.

The bill provides that the functions of the Office of Public Prosecutions are: to efficiently, economically and effectively prepare and conduct on behalf of the director any proceedings in which the director is involved; to assist the solicitor in the performance of any function delegated to the solicitor by the director; and to assist the Committee for Public Prosecutions in the performance or exercise of its functions.

#### **THE COMMITTEE FOR PUBLIC PROSECUTIONS**

The bill establishes a Committee for Public Prosecutions whose members will be the director, the Chief Crown Prosecutor, the solicitor, and a person to be nominated by the Governor in Council. The person appointed to the committee by the Governor in Council will be chosen for his or her high standing in the community. This position makes it possible for the first time for an individual chosen from outside the select inner circle of the legal profession to play a role in an operational body at the highest level of the criminal justice system. The director will be the chairperson of the committee. The committee will bear responsibilities relating not just to the officers and the office constituted under the bill but also to the wider prosecution system.

The committee has been given a general role advising on the operation of the Victorian prosecutorial system. One aspect of this advisory role will be the determination of offences and classes of offences to be referred by the police to the director or the Solicitor for Public Prosecutions for the institution and conduct of proceedings. It is anticipated that the next five years will see the gradual taking over from the police of all committal and summary prosecution work - a project for which the groundwork is already being laid.

The bill also gives the committee the function of assisting in coordinating the operation of the Office of Public Prosecutions and the Director of Public Prosecutions, with specific roles in setting guidelines for the appearance in court by officers of the Office of Public Prosecutions. It will also be the role of the committee to make recommendations where necessary to the Attorney-General for the removal from office of a Crown Prosecutor.

One of the important functions of the Committee for Public Prosecutions is its establishment of guidelines regarding the circumstances under which a decision which would ordinarily be defined as a special decision is not to be treated as such. This enables the

director to make decisions in some situations without the necessity of convening a Director's Committee. An example of a situation which may be covered by the guidelines is the decision to enter a nolle prosequi when, in a prosecution where the only incriminating evidence is from a particular witness, the witness is either deceased or cannot be located. In such a situation it would not appear necessary for the director to seek further advice before entering the nolle prosequi. The power of the Committee for Public Prosecutions to establish such guidelines enables the decision-making processes to operate efficiently and effectively but not at the expense of the proper administration of justice.

Finally, the bill requires that the committee sets guidelines concerning treatment of victims of crime, having regard to the functions of the director, the solicitor, the Crown Prosecutors and the Office of Public Prosecutions.

#### CONSTITUTION ACT 1975 SECTION 85(5) STATEMENT

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section by clause 49 of this Bill. Clause 49(a) states that it is intended to alter or vary section 85 of the Constitution Act to the extent necessary to prevent the Supreme Court from entertaining any application by a person other than the Attorney-General for punishment of a person for a contempt of court that involves an interference with the administration of justice.

The reason for this is that the power to bring an action for criminal contempt is to be vested in the Attorney-General acting only on the advice of the Solicitor-General. There is considerable support for both the proposition that actions for criminal contempt should not be brought by way of presentment in the same manner as other criminal proceedings but be brought under the rules of the court and that it is a matter more properly handled by the Attorney-General. By vesting the power to bring actions for criminal contempt in the Attorney-General acting on advice the perceived danger of a conflict of interest is avoided in situations where the director seeks to make presentment for contempt against a party whom he or she is also prosecuting for criminal charges which may be either before the court at that time or being considered by the director, or where the prosecution for contempt relates to such matters. Vesting this power in the Attorney-General is consistent with the Attorney-General's role as first law officer with

responsibility for the administration and protection of the justice system.

Clause 49(b) states 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 entertaining any proceeding in which a verdict returned by a jury on a trial on presentment or an order made by a court on or in connection with such a verdict is sought to be challenged, appealed against, reviewed, quashed or called in question on the ground that the making of a presentment was dependent on the making of a special decision and the procedures prescribed by the act for the making of a special decision had not been complied with.

The reason for preventing any challenge to a jury verdict or court order in these circumstances is to ensure the efficient and economic administration of justice as well as to prevent uncertainty in the system of prosecution.

Clause 49(c) states that it is intended to alter or vary section 85 of the Constitution Act 1975 to prevent any application by a person for an order in the nature of prohibition, certiorari or mandamus or for a declaration or injunction or for any other relief in respect of a verdict returned by a jury or a court order on or in connection with such a verdict on the ground referred to in clause 49(b).

The reason for preventing these applications under the circumstances stated is to ensure the efficient and economic administration of justice as well as to prevent uncertainty in the system of prosecution.

#### PRINCIPLES FOR THE ADMINISTRATION OF PROSECUTIONS IN VICTORIA

In recent years the criminal justice system as a whole has drawn increasing public criticism over the perceived low priority given to the concerns of victims of crime. At the same time the government has been concerned by the apparently limitless ability of the prosecution system to swallow more and more public funds.

This government considers that the prosecution system must, like all elements of the criminal justice system, be conducted with a view to efficiency and economy. The government also recognises the importance of appropriate prosecutorial action for ensuring satisfaction of the legitimate needs and concerns of victims of crime. To enshrine these principles in the law, the bill directs the key participants in the prosecution process to have

regard to these factors. These principles have been developed to implement balance in the prosecution of offences in Victoria. They do not, however, override the essential imperative within the system that justice be done, and that principle is also asserted in the bill. They will not be promoted to the detriment of basic principles of justice.

The reform before the house preserves and bolsters the independence from the government of the prosecutorial decision-making function in this state. It also introduces a range of innovative measures that will ensure the professional, efficient and accountable administration of the prosecution system in Victoria.

I commend the bill to the house.

Debate adjourned on motion of Hon. B. T. PULLEN (Melbourne).

Debate adjourned until next day.

## GAMING AND BETTING BILL

### *Second reading*

Hon. HADDON STOREY (Minister for Gaming) - I move:

That this bill be now read a second time.

The Gaming and Betting Bill is a landmark piece of legislation which provides the necessary regulatory structure for the most far-reaching reforms of the gambling industry since the establishment of the Totalizator Agency Board in 1961. This legislation will cement Victoria as the racing capital of Australia and establish the legal framework for the successful float of the TAB as a public company, to be formally known as TABcorp Holdings Ltd, early in the 1994-95 financial year. The legislation will deregulate the racing industry to give it freedom and flexibility while at the same time strengthening probity requirements across the Victorian wagering industry. Further, it consolidates the regulatory environment for wagering, gaming and other forms of approved betting in Victoria under one new authority to be known as the Victorian Casino and Gaming Authority.

The TAB float will be of tremendous benefit to all Victorians. It will be the largest public float of a Victorian-based company and the rapidly growing company will be highly attractive to institutional investors. The float will be designed to appeal to

smaller investors and the government is confident that a large number of Victorians will be attracted to invest, including many first time shareholders. Members of racing clubs will also be given preferential access to the float at a slightly discounted price.

The TAB will be freed from past constraints on its capital funding capacity and on its ability to make commercial business decisions to enable it to compete more effectively in the gambling industry and to offer an expanded and more innovative range of products and services to consumers. The new company will be in a very strong position to expand interstate and overseas.

The net proceeds from the float are estimated to be at least \$600 million, and *this* will be applied towards reducing state debt. This is a very important development in the government's financial strategy to reduce Victoria's high debt level.

The legislation will provide the opportunity to cement Victoria's position as the premier racing state in Australia. New arrangements have been entered into with the racing industry designed to secure the financial health of the industry and to provide for a large degree of self-determination in relation to racing and wagering. No longer will the racing industry be subjected to excessive and prescriptive regulation which even dictates the time on which individual races must start. The government will maintain regulation in respect of matters of public interest and probity. The industry will have a participating interest in the Victorian wagering and gaming operations of the privatised TAB through a proposed joint venture, providing a more secure level of income into the future than would be available under a continuation of the current arrangements.

The government would like to place on record its appreciation of the racing industry's professional approach to negotiations that resulted in this mutually beneficial outcome, which secures the future of the racing industry and unleashes a new, dynamic and rapidly growing private sector company. Punters can now expect TABcorp Holdings Ltd to become a service-oriented business that will provide an ever-broadening range of products to punters at highly competitive prices. The company will also provide a unique investment opportunity for investors and will strengthen Victoria's position in the national gambling market.

Titis legislation also gives effect to a 31.8 per cent cut in state taxes on wagering turnover. The tax rate on wagering will be reduced from an average of approximately 6.6 per cent of wagering turnover - including fractions - to the equivalent of 4.5 per cent of wagering turnover. Titis will put wagering on a more competitive basis with other gambling products and will help secure the long-term future of the Victorian racing industry.

The dedication of revenue from wagering taxes to the Hospitals and Charities Fund will continue and planned funding for the health budget will be unaffected by the new tax rate.

The federal government stands to be a significant beneficiary of these reforms because it will receive income tax from the profits of TABcorp Holdings Ltd. In addition, the state government has sacrificed revenue by reducing the wagering tax rate as a specific micro-economic reform initiative designed to strengthen the Victorian racing industry and make it more competitive in the gambling industry. The Victorian government believes it has a very strong case for structural assistance from the commonwealth reflecting the windfall tax gain it will receive from TABcorp Holdings Ltd. The Victorian government will continue to pursue this issue vigorously with the commonwealth. It will be the first big test of the commonwealth's financial commitment to micro-economic reform since it publicly endorsed the Hilmer report on national competition policy.

The bill also provides for the deregulation of deduction rates applied to wagering to bring it into line with the arrangements which currently apply to gaming and the casino. Titis will effectively provide a minimum dividend return to punters which is broadly in line with current dividend returns. Importantly, there will be no maximum limit on dividend returns. Titis will provide scope for the holder of the wagering licence to use dividend returns to punters as a direct marketing tool to attract punters from interstate and overseas. This will significantly enhance the competitive position of the Victorian racing industry relative to other states and overseas.

At the current stage of development of the rapidly expanding Victorian gambling industry it is appropriate to establish a single regulatory authority to regulate wagering, gaming and other forms of gambling. The bill provides for the merger of the Victorian Gaming Commission and the Victorian Casino Control Authority into one body to be

known as the Victorian Casino and Gaming Authority. The present Chairman of the Victorian Casino Control Authority will become the chairman of the new authority. The government considers that both current bodies have served the community well, but in view of the completion of the Victorian Casino Control Authority's task of selecting a licensee for the Melbourne casino, the government considers it is now appropriate to have only one regulatory body.

The merger is a logical step in view of the similar regulatory roles of the two existing bodies. It will ensure a consistent approach to regulation of all aspects of gaming, it will enable the pooling of existing regulatory expertise and, of course, it will provide the opportunity to achieve efficiencies in carrying out like functions. The new authority will also assume responsibility for regulation of wagering and approved betting competitions.

The authority will have clear powers, through continued scrutiny and thorough disciplinary processes, to ensure that the public interest is protected and that the highest standards of probity are observed. This will reinforce public confidence in the industry, with beneficial effects not only for Victorians, but also for visitors from interstate and overseas.

At present the costs of the Victorian Gaming Commission are charged against the Community Support Fund, while the costs of the Victorian Casino Control Authority and the Director of Casino Surveillance are appropriated from the consolidated fund and are broadly offset by the casino supervision and control charge payable by the casino operator. In keeping with general government policy to ensure the efficiency of government agencies, the bill provides that the funding of the authority and the directors and their staff will be determined by the Treasurer in consultation with the minister and effected by way of standing appropriation from the consolidated fund. The holder of the wagering and gaming licences will be required to pay a supervision charge which will be determined by the Treasurer in consultation with the minister, having regard to the reasonable costs and expenses of the authority.

As the costs of the Victorian Gaming Commission are presently a first charge against the Community Support Fund, the funding arrangements provided for in the bill are expected to increase the funds available in the Community Support Fund to support the other applications of fund moneys,

including sport, recreation, tourism, the arts, financial support for families in crises and the treatment of compulsive gambling.

The legislation is designed to provide a rigorous regulatory framework for the privatisation of the TAB and to provide the appropriate mechanisms for the regulatory framework to function properly and effectively.

Part 1 of the bill sets out the preliminaries, including commencement mechanisms. Part 2 establishes the conditions under which the initial and subsequent wagering and gaming licences are issued and provides for TABcorp Holdings Ltd - the privatised TAB company - to be issued with the first such licences for 18 years if it meets certain probity requirements. The part also permits the holder of the licences to appoint a subsidiary company as an operator of either or both of the licences under stringent conditions.

Part 3 makes provision for licensed racing clubs to conduct oncourse totalisators, subject to the approval of the Victorian Casino and Gaming Authority. This part sets down the conditions under which a licensed club may conduct an oncourse totalisator, including probity requirements and a requirement to satisfy the authority that it has the necessary financial resources.

Part 4 regulates shareholdings in the licensee to ensure that there is a diverse ownership structure, with no single, dominant shareholder. The part places a limit on the total number of voting shares which may be held by non-residents of Australia, representing 40 per cent of the voting shares on issue. Each individual investor who is an Australian resident is limited to 5 per cent of the voting shares, and each individual investor who is a non-resident of Australia is limited to 2.5 per cent of the voting shares. Each investor holding more than 2.5 per cent of the voting shares will be subject to a probity review.

Part 5 sets out conditions for the conduct of approved betting competitions. Part 6 provides for the conduct of totalisators and the making of betting rules by the licensee for wagering and for approved betting competitions. Part 7 specifies the commissions, dividends and taxes relating to the wagering licence payable by the wagering licensee, including those relating to approved betting competitions. It is important to note that this part provides for the maintenance of continued funding

to the Hospitals and Charities Fund from the government's taxes on wagering.

Part 8 establishes the Victorian Casino and Gaming Authority, which will have powers under this act, the Gaming Machine Control Act 1991, the Casino Control Act 1991, the Club Keno Act 1993 and the Lotteries Gaming and Betting Act 1966. Part 9 specifies the statutory appointment of a Director of Gaming and Betting who will be empowered to investigate compliance with the act, the betting rules and the licences, and to generally assist the authority in relation to the operation of the act.

This position is supported by the provisions of part 10 of the bill, which permit the appointment of inspectors to carry out investigative functions in wagering and approved betting competitions. This part also includes offences which may result from obstructing inspectors. Part 11 establishes the offences under the act, including acceptance of bets from minors and offences relating to totalisators. Part 12 makes general provisions. Among other aspects it outlines requirements on the holder of the wagering licence for banking, accounts and audits.

Part 13 establishes the mechanisms for the transfer of TAB staff to TABcorp Holdings Ltd and its subsidiaries, with provisions to safeguard the entitlements of transferred staff. This part also provides the mechanism by which property, rights and liabilities of the TAB are allocated either to TABcorp Holdings Ltd or its subsidiaries or the state.

Part 14 contains transitional provisions. The changes I have outlined require significant amendment to related acts which govern the industry. Part 15 amends the Racing Act to remove obsolete or redundant provisions, to deregulate the conduct of racing, except in relation to matters of probity and public interest and to ensure consistency with this bill. Part 16 amends the Gaming Machine Control Act. Part 17 amends the Club Keno Act, and part 18 amends other acts, to provide consistency with this bill.

#### CONSTITUTION ACT 1975: SECTION 85(5) STATEMENT

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section by clause 141 of this bill.

Clause 141(a) provides that it is the intention of the section to alter or vary section 85 of the Constitution Act to prevent the bringing before the Supreme

Court of actions in respect of declarations of the minister under part 4 of the bill. Part 4 enables the minister to make declarations relating to the regulation of shareholding interests in the licensee. Clause 60 provides for certain appeals to the Supreme Court against declarations and provides that, except as provided in part 4, a declaration of the minister under that part may not be challenged or called into question. The reason for preventing actions in respect of these declarations is to ensure that part 4 is effective in regulating shareholdings and maintaining the restriction on large shareholdings in the licensee.

The provisions in part 4 to enforce the restrictions on shareholdings, including the making of declarations by the minister and the limitation of appeals to the Supreme Court against such declarations, are an essential mechanism for achieving the objects of the legislation and, in particular, for ensuring probity in the conduct of the business of the licensee and in dealings in shares of the licensee.

Clause 141(b) of the bill states that it is intended to alter or vary section 85 of the Constitution Act to the extent necessary to prevent the bringing before the Supreme Court of actions in respect of acts or omissions referred to in clause 62. Clause 62 provides that no liability attaches to the minister, the authority or the licensee or any officer or auditor of the licensee for any act or omission in good faith and in the exercise or discharge or purported exercise or discharge of a power or duty under part 4 governing the regulation of shareholdings. The reason for preventing the bringing of such an action is to ensure that the maximum levels of shareholdings stipulated in the bill can be enforced by a relatively simple procedure and without prejudice to the interests of other shareholders.

Clause 141(c) states that it is intended to alter or vary section 85 of the Constitution Act to the extent necessary to prevent the bringing before the Supreme Court of actions in respect of a right or interest referred to in clause 204.

Clause 204 extinguishes any right or interest of a club in money or other property of or held by the TAB whether arising under section 116Q of the Racing Act 1958 or in any other way whatsoever and subsisting immediately before the commencement of clause 204. The reason for preventing such actions is to ensure that the arrangements affecting the TAB and the racing industry implemented in the bill are in full settlement of any outstanding rights and interests in property of the TAB.

The bill is a significant and exciting move which will restructure the regulation of the gambling industry in Victoria. It establishes a rigorous legislative framework to:

progress the government's policy of micro-economic reform; and

facilitate the successful public float of the TAB.

I commend the bill to the house.

Debate adjourned for Hon. D. R. WHITE (Doutta Galla) on motion of Hon. C. J. Hogg.

Debate adjourned until next day.

## STAMPS (SECURITIES CLEARING HOUSE) BILL

### *Second reading*

Debate resumed from 19 May; motion of Hon. R. M. HALLAM (Minister for Regional Development).

Hon. T. C. THEOPHANOUS Qika Jika) - The opposition does not fundamentally oppose the bill. It strongly supports the first purpose and if appropriate arrangements were put in place for local government it would support the second; that is, we are not opposed to the principle of the measure, but we are opposed to the way in which it will be implemented.

The bill, firstly, makes provision for the introduction of the electronic transfer and settlement system known as CHESS, which means clearance house electronic sub-register system, which will be used by the Australian Stock Exchange for the transfer of marketable securities. Secondly, it removes the existing exemption enjoyed by local government and water authorities for the payment of stamp duties for the purchase and transfer of motor vehicles. This provision arises from a policy announced by the government in the autumn economic statement. The opposition supports the first measure but it cannot support the second, because no compensation will be paid to local government and water boards for their loss of revenue.

Hon. R. M. Hallam - Loss of revenue? There is no revenue involved.

Hon. T. C. THEOPHANOUS - F o r the loss of the right to stamp duty-free purchases of motor

vehicles, which will increase the liabilities and costs for local government. The reason why the opposition opposes the second measure is that it will add to the costs that local government will have to bear.

I welcome the CHFSS system, which will be used by the Australian Stock Exchange for the transfer of marketable securities. It will improve the efficiency of transferring securities by the introduction of an electronic system. It fits in well with the existence of the Australian Stock Exchange and the stock exchange automated trading system (SEATS). Consumers will continue to retain choice under CHESS. They may hold share certificates in the traditional way, in the form of paper certificates, or they may hold shares electronically, as uncertified holdings. It is up to the company to decide the way shares will be held. I understand that the Melbourne Stock Exchange is keen on these changes because they will provide a world-class system for share transfers, which is required because of the amalgamation of the six state stock exchanges under the Australian Stock Exchange for the purpose of international transfer of stocks.

A recent independent survey ranked the Australian Stock Exchange as being second only to the United States of America on settlement efficiency. This augurs well for the future of the stock exchange. Information provided to the opposition by the stock exchange indicates that CHESS is the final stage of a major initiative to automate the transfer and settlement process for the Australian Stock Exchange transactions. Australia used to have an inefficient settlement system. After the broker executed a buying or selling order, one could sometimes wait weeks to get payment for sales or a certificate for shares purchased. This has changed with the development of the fast system, which brought optional uncertificated shareholdings to Australia and enabled the introduction of a system of fixed settlement five business days after the trade date - T-plus-5. CHESS will advance this process by further reducing the paperwork for transfers and settlements by doing them largely by computer processing.

In the light of the strong endorsement by the Australian Stock Exchange, and the obvious sense that the measure makes, the opposition welcomes it wholeheartedly as an efficient way of effecting the transfer of shares.

The second measure involves the removal of existing exemptions enjoyed by local government and water

boards in relation to stamp duty on the purchase and transfer of motor vehicles. This will mean that they will have increased costs; we should not be equivocal about this. Local government and water boards will suffer an increase in their costs. Some municipalities have estimated they will be faced with a bill of up to \$30 000 a year as a result of this imposition.

Hon. R. M. Hallam - That is provided they continue to purchase vehicles at the same rate.

Hon. T. C. THEOPHANOUS - Irrespective of whether municipal councils continue to purchase them at the same rate, there is no doubt local government needs vehicles and will continue to purchase vehicles in the future unless the minister expects them to undertake their operations by walking or by pushbike. That may be what the minister is trying to achieve with his restructure of local government. I suppose it would be environmentally friendly!

This measure will add a significant cost to local government and, even if the cost is not \$30 000 or \$20 000, when spread across all the councils in Victoria the cost overall will be approximately \$4 million. It is a significant cost shift. Local government will be sluggish without any compensation in return.

The community is concerned about the way the minister has moved to change local government. Before outlining some of those moves, I propose a reasoned amendment. I move:

That all the words after 'That' be omitted with the view of inserting in place thereof 'this house declines to read this bill a second time until arrangements are in place for the payment of full compensation to municipalities for stamp duty now required to be paid under the bill by them on any application to register, or notice of acquisition relating to, municipal motor vehicles or commercial trailers, thereby ensuring that there is no loss of services provided by local government and no rate increases as a result of this bill.'

The opposition and the community are concerned about the raft of changes that has already occurred in local government. Local councils have faced forced amalgamations. There has been a lack of community consultation on the issue. This bill is another example of lack of consultation with local government. It certainly would not have agreed with the measure; it has placed on the record that it does not agree with the measure.

Severe cuts in state government service delivery have been experienced. That has put even more pressure on local government to deliver services through local government resources rather than from the state government. All that is occurring without any significant increase in funding to local government, which is in many ways feeling the pinch.

I am sure, Mr Acting President, that your local council has spoken to you about it, just as I am sure all local councils have spoken to opposition members expressing their concerns about the lack of funding and the additional services they are expected to provide. They are concerned about the entire process of restructure, including the disenfranchisement of citizens.

The local government reforms are likely to lead to a significant decrease in the number of jobs. Approximately 10 000 local government jobs will be lost, which will add to the 40 000 jobs the present government has eliminated from the public sector. In the near future a total of 50 000 jobs will be lost directly as a result of the government's actions.

It is unfair in the extreme for the government to then add an additional impost on local government, which is struggling to deliver the already established services. It is likely that the functions and roles of local government under the expanded municipalities will actually increase in future, so their financial pressures will correspondingly increase.

Today local councils deliver arts and sporting services to their municipalities. They are trying to attract tourism to their areas; they are concerned with environmental issues and with parks; and they have a direct say in child-care and kindergarten facilities. Local government is involved in health care through the community health services and has structured other services into its organisations. It is involved in Meals on Wheels and runs libraries.

If you were a local government body and suddenly found you had to pay \$30 000 in additional tax to the state government—which, of course, means you have \$30 000 less to spend on other things—where would you find the money? It might mean you cannot afford to deliver Meals on Wheels or that you have to cut kindergarten or child-care support services. It may mean that some environmental programs are not established. Those are the choices facing local government. As a consequence local

government will be less able to deliver the services it was set up to deliver.

However, there are other iniquitous reasons for our opposition to the measure. Currently many state government bodies such as the state instrumentalities and even state-owned hospitals do not pay rates. That is a direct cost to local government. It did not occur to the government to change the system of rating properties so that local government could tax land that housed state government buildings and therefore restore some kind of equity on that front. The notion is based on what is called competitive neutrality. Under that principle businesses should have to pay all their costs so that they do not acquire any advantage over other businesses. That is interesting from two points of view. Firstly, in relation to state-owned businesses, the government has decided that to enact the principle of competitive neutrality its government bodies will pay rates. However, the clincher is that they are paid not to local government bodies but to the state government. The state government will receive the benefit of enacting the so-called principle of competitive neutrality.

How fair is it for the state government to enact a principle where it does not have to pay the rates and where it can say, 'Yes, we will make state-owned enterprises pay the rates to us, not to local government'? How fair is it for the government to do that and then tell local government to pay stamp duty, which it did not previously pay, to the state? It is a double whammy. The government has the opportunity of picking up two revenue streams and local government misses out on both counts. It misses out on stamp duty and the rates it may have collected from government businesses. It is another example of the contempt with which the government treats local government and the way its principles are applied in a one-sided and inequitable way. If a principle is to apply, it should apply equitably, not in the way the government has determined.

Another important aspect is what the bill means from an ideological perspective. The measure provides that councils should be treated in the same way as government business enterprises; they should be treated as one would treat BHP. Consequently, they should pay all state government taxes and charges in the same way as would any other business. That is consistent with the principle of competitive neutrality.

However, local government is no more a business than is the state government. That is the reality. If the state government is to be regarded as one big business - and perhaps one could do that with this government because it is run by Ron Walker and a couple of other non-elected people - -

Hon. D. A. Nardella - The mates!

Hon. T. C. MEOPHANOUS - The mates of the Premier who seem to make all the business decisions. They are the members of the board; nobody else gets a say about those decisions.

Firstly, the Victorian government is so contemptuous of local government that it treats it as a business, not as a vehicle for the delivery of services to residents. Secondly, the government enacts a rule about competitive neutrality and then treats local government differently from the way it treats itself: it picks up the revenue through government business enterprises and picks up the benefits again through local councils.

Local government will not be fooled by the double standards and hypocrisy of the government. It understands that it will bear additional costs and that in order to pay those costs it must cut some of its services. When those services are cut it will tell its residents that there is a direct link between the actions of the government and the need to reduce or abolish a service. Each year the moneys paid in stamp duty will appear as a budgetary item that is being paid to the state government. It is not enough for the state government to use local government as a taxing vehicle for its \$100 home tax and force it to collect the tax with no benefit to local government. To add insult to injury, the government has now introduced a measure to progressively take away - and it will not be the end of it - a n y residual rights local government had not to pay government taxes or charges. It was always a two-way street because the government did not pay rates to local government.

The opposition would not object to the principle of competitive neutrality if it were applied equally. If the principle was that stamp duty should be accounted for on the basis of competitive neutrality and that an equitable amount of stamp duty should be paid, there may be substance to the argument if two things occurred.

Firstly, the government could guarantee that the charges applying to local government were revenue neutral. That could be done by adjusting grants

provided to local government to ensure that the same amounts were returned through an increase in grants; the government could guarantee the amount. Under the current arrangements local government would probably not trust that offer but it would demonstrate that the government was at least prepared to do something. The government has not been prepared to identify the costs for local government, which is why the opposition and members of the community must speculate about the costs. I call on the Minister for Local Government to provide an assessment of the costs that will apply to local government for bearing the additional impost.

Secondly, the principle would be all right if it also applied to the rating structure. If the principle of competitive neutrality were applied to rates payable by government business enterprises the rates would then be returned to local government as a quid pro quo; but that is not taking place. In those circumstances the opposition decided to move the reasoned amendment to bring to the attention of the house the need for the government, at the very minimum, to ensure that the measure is revenue neutral for local government.

I hope the government will take up the amendment and will give an undertaking to local government that it will not be disadvantaged as a result of this measure. Based on the earlier figures I mentioned, the annual cost to the five municipalities amalgamated into the City of Greater Geelong could be \$100 000 or \$150 000. Important services to the Geelong region will have to be forgone to pay this unfair tax on local government. The opposition does not support the bill as it applies to local government and trusts the government will give consideration to the reasoned amendment.

Hon. R. S. IVES (Eumemmerring) - As . reiterated by Mr Theophanous, the opposition regards this as a heads-I-win, tails-you-lose bill. It is being imposed on top of everything else that has been forced on local government: amalgamations, lack of consultation, severe cuts, lack of increase in funding, job losses and being forced to act as a taxing agent for the state government's deficit levy.

The reason for this bill is contained in the second-reading speech under what Mr Theophanous called the doctrine of competitive neutrality:

The removal of the exemption from stamp duty payable on an application to register or notice of acquisition of a motor vehicle..... 1 --:-

municipalities and certain water boards will remove the barrier to fair competition between small business and government. The exemptions will be removed with effect from 1 October 1994.

The bill cannot be considered in isolation from the budgetary measure which from 1 April this year removed any concessional rates on vehicle and plant registration. Local government did not seem to be fully apprised of this measure. There seems to have been no consultation or communication. There even appears to have been a lack of basic notification and it seems to have come as a complete surprise to local government. The result seems to have been absolute fury.

The *Pakenham Gazette* of 18 May has a large headline, 'Council anger over registration fee hike'. I assure the minister that that newspaper is traditional, respected and family owned. It does not go in for flamboyant headlines and certainly Pakenham shire councillors are not given to choleric outbursts, but the effect of the bill coming on top of everything else leads to headlines such as that, and I predict that it is merely the beginning. As the news seeps into municipal consciousness we will see more and more anger and upset.

As Mr Theophanous said, there is a lack of reciprocal obligations. Curiously, I have on file a recent letter from the City of Sherbrooke pointing out that government departments, especially the Department of Conservation and Natural Resources, do not compensate local government for works improvements or such items as road abutment charges, which are paid by the taxpayer.

Hon. T. C. Theophanous - What about their competition with small business?

Hon. R. S. IVES - Precisely. As Mr Theophanous mentioned, when they do wish to set up their own statutory instrumentalities to compete with private enterprise they are charged nominal rates, but that rate money does not go to local government, it goes to the state. Government departments are winning all the way along the line, and that will not go unnoticed by local government.

The point made by Mr Theophanous is that there is almost a disregard for much of the worth of local government. We are prepared to concede that there may be parts of local government that can compete commercially against other councils and outside enterprises and that some functions may be effectively outsourced to private enterprise.

However, government is not a small business, there is still a core of activity that can legitimately be regarded as being government rather than business. Non-profitable, non-user-pays activities associated with the functions of government will remain. They include regulatory activities, advisory activities, a number of community services, a number of maintenance services and a number of administrative, monitoring, accounting and planning activities. Some services are just better suited to government, and some services are an obligation on government and they are the ones that will be hit by the additional impost of stamp duty and the removal of the concession for the registration of vehicles.

It could be argued that Meals on Wheels is a straightforward service involved in the provision of food. It could be contracted out cheaply and, to increase the efficiency of the service, perhaps a bunny hatch could be put in the front doors of homes so that the food could be slid in and out, something like a motel service. However, Meals on Wheels also is part of the general pastoral network of community service and care through which local council and community service workers can keep contact with the aged and the frail. If someone is ill or distressed or if there is any untoward circumstance such as a robbery, it can be reported by the Meals on Wheels workers. It is absolutely essential to have that personal community contact. Where the range of services provided includes both community services and a sort of pastoral care it is easy to see that the car should not be subject to additional charges.

Those are all matters that have not been considered in the bill, which is why the reasoned amendment has been moved. We must consider the effect on councils. For instance, Pakenham council has estimated the additional cost for car registration will be \$30 000 a year. That is 0.5 per cent of its rate income. Because of the complete lack of consultation, negotiation or even notification, it has not been possible for the council to budget for this charge, so next year even steeper rates will be imposed to compensate for the shortfall this year. Local government is already hard pressed, and this tax will be passed on to ratepayers.

More and more often ratepayers and motorists are being asked to give more and more to government. For instance, the Better Roads levy is extracted at the petrol pump, and it is estimated that the government collects \$1.25 million each year from Pakenham drivers.

# STAMPS (SECURITIES CLEARING HOUSE) BILL

Wednesday, 25 May 1994

COUNCIL.

871

The DEPUTY PRESIDENT - Order! Mr Ives is straying from the bill. I ask him to return to the provisions of the bill.

Hon. R. S. IVES - Certainly. However, I ask that some of the feelings of local government about this bill be aired, and I shall explain why it is so strongly opposed.

The DEPUTY PRESIDENT - Order! I understand that, but Mr Ives is referring to ratepayers. The bill relates to councils, not to the ratepayers as individuals.

Hon. R. S. IVES - I shall rephrase what I said. Ratepayers will be hit not only by the Better Roads levy, which in Pakenham has already amounted to \$1.25 million a year, but also by higher rates because of the requirement that the local government pay stamp duty and full registration fees for vehicles and plant. As we have mentioned before, government departments do not contribute to rates or such items as road improvement abuttal charges.

The Victorian government's relations with local government are a one-way street. In effect, the government is saying, 'Heads we win, tails you lose'. I predict that anger will spread throughout the state as the enormity of the consequences of the proposed legislation is appreciated.

Hon. D. A. NARDELLA (Melbourne North) - Although the opposition does not oppose the Stamps (Securities Clearing House) Bill, the concerns I have mirror those of Mr Theophanous and Mr Ives. The bill is a taxing measure that imposes a new cost on local government. The government proposes to levy stamp duty on motor vehicles purchased by local government and water authorities. The bill allows one tier of government to impose a tax directly on another tier.

The bill will affect a number of programs provided by local councils. For example, the vehicles purchased by local councils for use in the provision of Meals on Wheels for the elderly and disabled will attract the new tax. Other local government officers, including social, family and youth workers, will feel the effects of the extra tax because the councils need to purchase vehicles to help them maintain the programs they conduct.

It is no good members of the government claiming that the cost is minuscule, because the impost must be paid by people in local government. It is no good saying, 'Buy fewer vehicles', or 'Buy them on longer

time scales'. In most instances the purchase of vehicles is programmed to ensure optimum mileage, minimum costs and maximum trade-in values. Local councils have become good at minimising the cost of running vehicle fleets. The impost will result in programs incurring extra costs, some of which are now budgeted for in advance. As a consequence, the operations of those programs will be affected.

I am concerned that local government jobs will also be affected by the extra cost. The government has decided that the money must come from somewhere. The proposed new tax can be implemented in a number of ways, the first of which is through an overall increase in taxes. Another is by slashing local government services. Many programs are labour-intensive; therefore, the only way some councils can save money or make up the difference is to cut jobs. A third way of meeting the proposed cost is to increase the charges for the services provided by local government authorities.

Most honourable members will have read the comments of Dr David Niven, the Chief Executive Officer of the City of Greater Geelong. He is reported in the newspapers as saying that the cost of the new tax to the City of Greater Geelong will be \$150 000 per year.

Hon. T. C. Theophanous - How many jobs is that going to cost?

Hon. D. A. NARDELLA - That is a good point. Already 285 people in the City of Greater Geelong have been sacked. If the cost of a low-paid clerical job is, say, \$20 000 a year, the equivalent of seven and a half jobs could be lost just in the City of Greater Geelong. Reference has been made to the possible loss of another 10 000 local government jobs. The effect of that would be widespread and would be felt throughout the community.

Rural councils will be worst hit by the proposed new tax. To adequately look after their ratepayers they must provide many services that metropolitan councils do not need to provide.

Hon. T. C. Theophanous - They use more cars.

Hon. D. A. NARDELLA - For example, by-laws officers in metropolitan councils use motorcycles. In rural communities by-laws officers provide services to their communities by doing things like impounding stray animals and clearing stray livestock from roads, as well as other work that assists local farmers. Some rural municipalities may

# CASINO CONTROL (MISCELLANEOUS AMENDMENTS) BILL

872

COUNCIL

Wednesday, 25 May 1994

be able to cope with the impost. However, in the Mallee and Wimmera, where, as I said yesterday, farmers are asset rich but income poor, people are doing it hard. They have been struggling for many years. They are fighting the environment and tariffs; they are fighting a number of natural and man-made difficulties. On top of that, the government is now saying that those people must again put their hands in their pockets and pay extra to local government for necessary services. It is not a situation they wish to have put on them; it is not a situation that will assist those farmers and those communities to prosper, especially the rural communities that will be looking at savings they need to make. Again, it could come down to jobs and employment within those rural communities.

In these hard economic times I find it extremely difficult that one tier of government is imposing those types of restrictions and pressures on councils. I do not find that situation comforting at all. Those are my concerns and my reasons for supporting the reasoned amendment.

This government should pay full compensation to those municipalities. If the commonwealth government were to say, if and when the Victorian government approaches it, that it wished to impose a further tax on this state government, I am certain that this government would say that it needs to be compensated and needs to be in a situation where it is not disadvantaged and its constituents are not disadvantaged.

Hon. T. C. Theophanous - State enterprises do not pay tax to the federal government.

Hon. D. A. NARDELLA - Yes, but also in the general sense, the government would be derelict in its duty if it did not say that on its own behalf and on behalf of the community it represents. The state government has double standards; it is now saying to local government that it will not be compensated on a neutral basis for the imposition of this extra tax and that the state government will treat local government differently from the way it would expect to be treated by the federal government. I support the reasoned amendment and I urge other honourable members to do the same.

House divided on omission (members in favour vote no):

*Ayes, 27*

Asher, Ms  
Ashman, Mr

Forwood, Mr  
Hall, Mr

Atkinson, Mr  
Baxter, Mr  
Best, Mr  
Birrell, Mr  
Bishop, Mr  
Bowden, Mr  
Bridson, Mr  
Connard, Mr  
Cox, Mr  
Craig, Mr  
Davis, Mr  
de Fegely, Mr

Hallam, Mr  
Hartigan, Mr  
Knowles, Mr  
Skeggs, Mr  
Smith, Mr  
Stoney, Mr  
Storey, Mr  
Strong, Mr  
Varty, Mr  
Wells, Dr (Teller)  
Wilding, Mrs (Teller)

*Noes, 13*

Gould, Miss (Teller)  
Henshaw, Mr  
Hogg, Mr  
Ives, Mr (Teller)  
Kokocinski, Ms  
McLean, Ms  
Mier, Mr

Nardella, Mr  
Power, Mr  
Pullen, Mr  
Theophanous, Mr  
Walpole, Mr  
White, Mr

*Pair*

Davidson, Mr

Guest, Mr

Amendment negated.

Motion agreed to.

Read second time.

Passed remaining stages.

## CASINO CONTROL (MISCELLANEOUS AMENDMENTS) BILL

*Second reading*

Debate resumed from 24 May; motion of Hon. HADDON STOREY (Minister for Gaming).

Hon. D. R. WHITE (Doutta Galla) - I move:

That all the words after 'That' be omitted with the view of inserting in place thereof 'this house declines to read this bill a second time until there has been laid upon the table of the house -

- (a) all bids of the unsuccessful tenderers in relation to the Melbourne casino; and
- (b) the specific conditions under which the bidders for the Melbourne casino agreed to minor amendments being made to the successful bid.

It is conceivable that during the bidding process the unsuccessful bidders agreed that the bids and the designs for the casino be subject to confidentiality.

The opposition does not see a case for supporting the proposition that unsuccessful tenderers be required to seek approval from the Victorian Casino Control Authority to release W\Successful bids. I know of one W\Successful bidder that is seeking to include the details of its bid in its annual report of October 1994. The Victorian Casino Control Authority must give its permission for the details to be made available. I believe the details should remain the commercial property of the bidder and, having been W\Successful, the bidder should be entitled to release the material as it sees fit. The authority should not require the details to remain commercially confidential after the winning bid has been decided.

**The DEPUTY PRESIDENT** - Order! There is too much conversation in the chamber. It is difficult for the Hansard reporters to hear and for Mr White to make his contribution. I ask honourable members to keep conversation to a minimum.

**Hon. D. R. WHITE** - While it can be argued that bidders should not be required to release the details of their bids prior to and immediately after the decision of the Victorian Casino Control Authority has been finalised, as it was in November last year, if an unsuccessful bidder wishes it to be the case, I do not see how it can be argued that the unsuccessful bids should not be made available to the public. The bid should be the property of the bidder and able to be released. Its release is important in ensuring that the due processes were not only followed but may be seen to have been followed. That is my case for the first part of the reasoned amendment.

I have a difference of opinion with the minister in respect of the amendments to the design that was selected by the authority. The authority chose Crown Casino Ltd and the W\Successful bidder was IIT Sheraton. Since September 1993 IIT Sheraton has made it clear on more than one occasion that it understood that wholesale changes to the winning design could not be made. It has now been confirmed that the basis upon which I wrote to IIT Sheraton was correct. Crown has submitted a proposal to increase the size of the hotel from 360 rooms to 1000 rooms, sought revenue relief from the authority and is seeking permission, presumably from the authority, to build an apartment block, which is a substantial variation on the winning design and which goes beyond the point I raised with IIT Sheraton for comment.

I understand that in September 1993 all the matters that now form part of the design were not included;

in other words, other matters requiring variation to the bid have come to the attention of the winning bidder. For example, it is possible to imagine that the successful bidder might say on reflection that the proposed ferris wheel is unworkable, undesirable and not aesthetically in harmony with the proposed casino, and the authority might agree with that point because it does not substantially change the nature or design of the casino.

On any test of reasonableness most people would agree that, unless they number several hundred, minor variations would not substantially change the character of the winning bid. Post-September 1993 we are dealing with a series of amendments that change the character of the winning bid so substantially that one might describe the project, which was originally a casino with a hotel attached, as a major international hotel with a casino attached. In other words, it will have a completely different marketing focus, and if the casino is to achieve the returns that are expected it will need to attract a different type of customer. The logical conclusion is that the winning bidder recognised that its winning design was not right.

On reflection one would have to say the Victorian Casino Control Authority did not get it right because if the character of the winning bid has to be substantially changed, as is occurring, it reflects on the merits of the proposed casino that won the bid. The Crown Casino consortium members and the original equity holders, or the new equity holders, have said that the winning bid would not succeed in drawing large numbers of people to the casino each day to produce the returns that justify the initial expenditure, or that the original design was more in keeping with a traditional design for Australian casinos, but what is required is a casino similar to those being constructed elsewhere in the world, including Las Vegas.

A substantial change has been made to the character of the winning bid that is yet to be approved by the Victorian Casino Control Authority. Therefore it is not unreasonable during the normal course of any tendering process for the W\Successful bidder or bidders to submit that if it is possible for substantial changes to be made by the successful bidder, it is not unreasonable for them to also to be able to submit against the revised bid because it is not the winning bid. It will involve a larger expenditure, perhaps in excess of \$100 million and a reduction in revenue payment to the state, perhaps in the vicinity of \$24 million. It is completely different from the bid

## CASINO CONTROL (MISCELLANEOUS AMENDMENTS) BILL

874

COUNCIL..

Wednesday, 25 May 1994

that won, against which the unsuccessful bidders competed.

It is not unreasonable for the unsuccessful bidders to make a case. Moreover, the unsuccessful bidders are saying in response to what is occurring that they should be entitled to submit against the winning bid. If the minister is prepared to say, as he has been saying in the house, that both the successful bidder and the unsuccessful bidder or bidders agreed that any amendments could be made, or variations could be made to the winning bid, the details of that agreement should be made public. I have reservations about what the minister is saying because one unsuccessful bidder contests that point. For those reasons I submit the second point in the reasoned amendment, which is that the minister should establish the circumstances under which the bidding process occurred and should provide evidence to support his claim about what was agreed by the successful and unsuccessful bidders, notwithstanding the fact that the Victorian Casino Control Authority initially knocked back the revised proposal to extend the winning bid from 360 rooms to 1000 rooms.

The commercial reality is that the winning bidder has submitted a substantially revised bid. I put it to the house that it will continue to do so until it believes it has its numbers right, despite what the Victorian Casino Control Authority may say from time to time, and in doing so, it will substantially diminish the standing of the Victorian Casino Control Authority because it will be extremely difficult for the authority to reject its revised proposals because no other party is involved.

The winning bid is under construction and it is extremely difficult for the authority to stop what is occurring. The minister has put to the house and to the public at large that the selection process involved the parties submitting a bid with the proviso that the winning bid could change the bid at any stage. The winning bid could put up whatever it 'liked'. The selection process involved circumstances that seriously diminished the original selection process. Although the Labor government agreed to a casino and initiated the original legislation, it would not have condoned a selection process that enabled the winning bidder to behave in the way it is behaving, or that would have allowed the Victorian Casino Control Authority to condone that behaviour, because it is clear from the commercial practices of the winning bidder - not Crown Casino but the consortium that makes up that group - that when it sees a chance and recognises that it is able to

make substantial amendments, it does so and will continue to do so throughout the life of the casino at the expense of the Victorian Casino Control Authority and the government.

The government is now faced with a proposed revenue loss under a revised bid. It will be interesting to see how the government responds to the winning bidder in a monopolistic situation. We do not believe over time there will be any evidence to suggest that either the Victorian Casino Control Authority or the government has stood up to the winning bidder because the winning bidder's commercial practice is to keep coming back until it gets what it wants, such as an expanded hotel, apartments and reduced government revenue. It is the old negotiating tactic of making a little progress, accepting that progress and walking away, then waiting for a brief period and coming back with a new proposal. And one keeps on going until either all or part of the proposal sought is accepted. The consortium will keep doing that. There will be no end to its pressure on the government, both in terms of the design of the casino and the revenue circumstances.

By condoning the efforts of the revised bidder to continue to bid, the government has conspicuously weakened its bargaining position. To use an analogy: it is like the successful bidder for Loy Yang B, Mission Energy, coming back to the government and saying after it has established its power station that it wants to recommence negotiations for an increased price at which it is selling electricity. However, that is not possible because there is a long-term contract for the price at which electricity is sold back, which the government, Mission Energy, the SEC and its successor body are parties to.

I can see how the Victorian Casino Control Authority and the government have strengthened the winning bidder's position by allowing it not only to make a substantial change to its bid that totally changes the character of the casino but also by creating circumstances where it is allowed to continue to come back as often as it likes.

When the site for the casino was chosen - I noticed as part of the legislation that the Victorian Casino Control Authority building will be on the site - we said to Professor Peter McIntyre that we had reservations about the suitability of the site because of the experiences with the Victorian Arts Centre. We were assured by Peter McIntyre that the problems had been confronted and that the problems with the Victorian Arts Centre

construction program would not have an impact on the permanent casino site, but the building program is already delayed.

The building program commenced in March this year. Significant problems have arisen in the construction of the foundations. Piles are being driven into the soil on the south bank of the Yarra River. Those piles need to reach a considerable depth before firm soil is reached to provide an adequate foundation. On a number of occasions difficulties have been experienced either in reaching adequate levels or in finding that some of the metal attached to the foundations is not holding, and the piles have to be constructed again or placed in different locations.

Notwithstanding the fact that a work force of up to 5000 will be employed over the next two years on a site working two 12-hour shifts, operating 7 days a week, 24 hours a day, and notwithstanding the enterprise agreement, delays are occurring because of difficulties with the foundations. They may also occur because the designs have not been finalised because of the problems I have just mentioned. Consequently, with the absence of designs the prospective date of completion, which is March 1996, may not be realised.

That being the case, we seek advice from the minister, preferably during this debate but if not during the adjournment debate this week, about the timing of the completion of the building program for the permanent casino, given that already, after barely three months of construction, significant delays are occurring. What are the penalties if the permanent casino is not constructed on time and at cost?

The bill provides an opportunity for both the temporary and permanent casino to provide Sportsbetting. It is my understanding that when the Labor Party was in office a contract was entered into regarding the provision of Sportsbetting by the TAB and also for the facility that would involve, directly or indirectly, a former senior public servant in sport and recreation named Phillip Power.

I do not contest that that arrangement was entered into when we were in government, but events of recent days relating to matters raised in the *Australian Financial Review* about the Chung Corporation Ltd - that Mr Power's son-in-law was attached to that organisation - mean that the opposition would like information from the minister about the relationship between the Sportsbetting

proposal and the presence of Mr Phillip Power in any organisation attached to Sportsbetting.

We would also like information on any probity checks being carried out in connection with this relationship and whether there is or has been any conflict of interest, either now or in the past, and whether he has any direct or indirect interest in any other activity associated with the TAB. If Sportsbetting is to work and prosper at the casino site it must be as a consequence of an effective probity check of people who may have been the beneficiaries of earlier or existing arrangements.

I appreciate that the bill is not a major amendment and that it mainly relates to Sportsbetting, but the matters I have raised are relevant to the successful operations of the casino, both in the selection process and in its operation as a temporary casino, and ultimately as a permanent casino. That is the reason I moved the reasoned amendment for the consideration of the house.

Hon. B. A. E. SKEGGS (Templestowe) - The reasoned amendment moved by Mr White seeks to table all the bids of the unsuccessful tenderers and the special conditions under which the bidders for the Melbourne casino agreed to minor amendments being made to the successful bid. It is important to note that the process involves bidding rather than a formal tender process and bids were made under a confidentiality clause provision that has been observed. They were made under rules established by the previous Labor government. Therefore, the government has followed the process quite faithfully.

Licensing provisions were based on such criteria as probity - and probity becomes an essential factor for the future success of a casino. Financial viability, the gambling experience of the future operators, benefits to the state, schematic design proposals and infrastructure are other basic criteria.

On 6 September 1993 the Victorian Casino Control Authority announced that Crown Casino was its preferred applicant. On 19 November the selection process was closed. The legal arrangements provided for variations that were anticipated even at the earliest stage and, of course, it was seen that the Sydney casino, which was also undergoing a similar process around the same time as the Melbourne casino bids were being made, provided at that time for 350 rooms, 2 penthouses and 4 apartment blocks with 139 units, obviously having a clear view to attracting the potential Asian market that would come to Australia to visit the casinos.

It was obvious that the Melbourne casino had to do better; and the variation would take the number of beds from 360 to 1000, with 120 self-contained units, 200 gaming tables and 2500 gaming machines, giving Melbourne an international complex that would be the envy of South-East Asia and the Asian Pacific periphery. The Melbourne casino therefore has the potential to serve the needs of many of the biggest investors, particularly from the Asian market.

The original Labor legislation also envisaged an independent authority, also providing for complete confidentiality for the bidders. If the reasoned amendment were agreed to, it would compromise those principles.

The introduction of the Sportsbetting concept is one of the most exciting initiatives of the Casino Control (Miscellaneous Amendments) Bill. Sportsbetting has seen a great success in overseas casinos, and this will be the first such concept introduced into Australian casinos. It will enable the Victorian Casino Control Authority to allow bets on national and international sporting events, provided that the bets are placed on site at the Melbourne casino. There will be no telephone betting.

Sportsbetting will not operate in competition with horse and greyhound racing events covered by the Totalizator Agency Board (TAB) in Australia or New Zealand. It is an important restriction because it could be a tragedy for the horse and greyhound racing industries if Sportsbetting arrangements made it possible for a second TAB to operate on the casino premises. The legislation makes it quite clear that there will be no competition with the TAB in its normal operations on horse and greyhound racing events.

This move is consistent with the Casino Management Agreement Act 1993 which makes it mandatory for the casino operator to provide a high-quality, international-class casino complex. It is exactly what the amending legislation sets out to do. It will make the casino much more active with the Sportsbetting arrangements and will certainly attract a lot of people to the casino to gamble on sporting events that occur in Australia and overseas. The coverage of World Cup soccer, international tennis, golf and boxing will be a popular feature of the Melbourne casino.

The amending legislation is necessary because the bill provides a legal distinction between gaming and betting. The Minister for Gaming will be

empowered to proscribe betting on anything where that betting was construed to be offensive or contrary to public policy. It is important that the minister have that power. It should not be possible for betting to occur on unusual international events that may cause conflict or which are conjectured on human suffering. We do not want to have people betting on unhappy things; we want them to bet on happy and popular sporting events.

The bill provides for Sportsbetting to be regulated under the Casino Control Act. The minister will ensure that no approval is given for betting to operate on improper events as seen in the public eye.

A totalisator may be used for approved betting competitions at the casino as authorised by the Director of Casino Surveillance, and 20 per cent commission will be deducted by the casino operator from the total amount invested. I believe the totalisator will prove to be quite popular. It will operate only on casino premises and there will be no offsite operations.

The legislation also provides for regulations relating to junkets to cover incentives offered to high-turnover players at the casino. It is important to ensure that this is clarified because in the view of many people the term 'junket' internationally has been used in a somewhat unsavoury context. In fact it is provided for by definition in the dictionary and in the act. The definition of junket in the act is regarded as too wide in its present interpretation. A junket describes an individual or a group introduced to the casino operator by a junket organiser or promoter who receives a commission based on the turnover of the play accrued by the players involved. The present definition of a junket obviously is seen as being too wide and therefore the amending bill will repeal it.

Currently it prevents the casino operator from providing complimentary travel, food and accommodation. The amendment will exclude that aspect from the definition and will regulate what can be given under the premium-player arrangements. Of course it is necessary to have those incentives to enable premium players to bring into the Melbourne casino the big money to make it a great success.

Under these arrangements a casino operator can also give a premium player a commission in cash or kind based on the patron's turnover or the results of the play, providing that no promoter is involved. There is a clear distinction between a junket situation and

the arrangement that can be offered to the higher premium player.

The amendments in the bill are designed to allow the Victorian Casino Control Authority to check individuals involved in contracts for the supply of goods and services, all of which must be notified to the authority, which can object to or prevent any contract being entered into. It is important that the authority have the ability to check on criminal influences which could be introduced into the provision of goods and services. Unfortunately in many overseas casinos various cartels or Mafia-type operations have developed and the major object of the operation will be to ensure that no laundering of money takes place and that clear and keen probity is observed. Both the government and the former government went to great pains to ensure that there was careful probity and that Victoria will have one of the best casinos in the world, particularly as a result of the strict regulation and control under the Casino Control Act and the casino surveillance organisation. We can look forward to the Melbourne casino being a great success story.

There are a number of other provisions which should be of interest to the house, including one covering special employees' licences. A new category will be created for special employees, who will be prohibited from accepting gratuities from patrons both in and outside the casino. The provision was intended to prevent any special treatment being given to patrons by staff responsible for conducting gaming. Special employees will be subject to the strictures of the security and surveillance staff and licences will be issued. It is most important that special employees do not get into unfortunate and illegal acts within the casino. There can be instances of chips being illegally passed on, or a number of problems may arise with the dealing of cards and cards being wrongly handled. The surveillance of staff is most important to ensure that casino staff are of the highest character and therefore it is necessary to have a special licence for those people.

I believe in this legislation we have an outstanding provision through Sportsbetting which will enhance the Melbourne casino. The amending legislation is certainly a good thing for Victoria. I am especially pleased it has excluded the operation of horseracing events that will be covered by the TAB. Victoria has a healthy racing industry and it would definitely have been under threat had the casino been allowed to operate on horseracing events. It will be possible for the Sportsbetting operations to take place on

certain international horseracing events which are approved by the minister, provided the TAB is not operating on those events.

The racing industry is fearful of the future effects of casino operations on horseracing turnover through the TAB, but I believe the Victorian government has been careful to ensure that the horseracing industry has some compensatory factors, both through the TAB in the past and Tabco in the future, as well as the gaming machine operations.

Victoria has wisely safeguarded the future health of the racing industry while ensuring the future success of the Melbourne casino. Its planning is exciting and it will be more than a match for Sydney. Victoria will become the gambling mecca of South-East Asia and the Pacific zone.

**Sitting suspended 6.32 p.m. until 8.02 p.m.**

**Hon. D. A. NARDELLA** (Melbourne North) - I support the reasoned amendment moved by Mr White, and in particular paragraph (b), which states:

**the specific conditions under which the bidders for the Melbourne casino agreed to minor amendments being made to the successful bid.**

I shall pick up on a point made by Mr Skeggs about bidding under a confidentiality clause. There are two views about the confidentiality clause. One was expressed by the Premier on 3AW in April this year:

**That clause was put there by Sheraton, accepted by the other bidders, they all knew it was there.**

In the *Sunday Age* of 24 April the ITT senior vice-president for corporate relations, Mr James Gallagher, who has a different view, refuted the Premier's statement on 3AW and said:

**We take strong exception to Mr Kennett's remarks. After spending several million dollars in good faith and countless executive hours travelling to the other side of the world we would like to be at least told why the project that is going ahead now is not the one on which we were asked to bid ... if the tender process is not to be reopened then the least we can expect is a simple explanation.**

We do not know what the situation was with regard to those documents. Paragraph (b) is included in the reasoned amendment in an attempt to lay the specific conditions in front of everybody. This is all

about probity and openness in government and making sure the government's actions are above board. The government has shrouded the casino in secrecy and the opposition is asking questions. Now the media has picked up on it and is also asking questions.

The important questions that are being asked go to the heart of good government, to the links with various personalities involved in the casino, to changes now being considered by the Victorian Casino Control Authority and to the influences being brought to bear in that area. Answers to those important questions are not forthcoming, which shows the absolute secrecy in which the government shrouds its decisions.

I should like to see the casino documents put on the table. It is not good enough for the government and the minister to say they have the confidence of the parties involved. It is not good enough to deny the public access to the documents, because the public has a right to know. That is what a democratic society and open government are all about.

We have a right to know so that we can make our own judgments on this issue and assure ourselves that all is above board. We should be able to see whether minor changes are permissible within the bidding documents and contracts. We should also be able to decide whether increasing the number of rooms from 360 to 1000 is a minor amendment and whether the additional tower of penthouses or apartments that was not part of the winning bid is a minor change. If that is what ITT Sheraton and Crown Casino have agreed to, that is fine, but we cannot make a judgment about that without seeing the documents. The government is not providing that access to the public or to the house.

There is no point in the government telling the house that the documents are confidential. Every Victorian is interested in the final outcome of the bidding process. We are interested to ensure that the due process has been followed and to ensure that the probity of the completed transaction is above board. Everyone is concerned about the issue.

I fear, however, that the government will not cooperate. I fear it is a secretive government and acts only to look after its mates. I fear the government does not care about the due processes as it would if it were in opposition. In support of the reasoned amendment the opposition says that the process must be open and above board, and the government should not end up stinking as it does at the moment.

This is only part of the gamut of problems of a government that is not open to scrutiny. Day by day, more and more secret deals are being thrust into the open by the opposition. The questions being asked are not being answered. Some questions revolve around Nettlefold advertising, DDB Needham, the grand prix, Leeds Media and Communication Services Pty Ltd, ambulance services and bus contracts, to name but a few.

This situation has developed at a rate of knots that is unacceptable. The government can correct that in this instance by supporting the reasoned amendment, by laying before the public and the house the documents as requested and by demonstrating to Victorians that everything is above board.

It could demonstrate to me that this particular operation does not stink, that the government does not stink and that members of the opposition should have some confidence in the workings of this government if it supported the amendment. I fear that will not be the case.

Hon. HADDON STOREY (Minister for Gaming) - It is appropriate that I should respond to the reasoned amendment. It is clear that the opposition has no disagreement with the bill, although Mr White mentioned a number of issues on which he would like a response. I am happy to respond to those issues.

The reasoned amendment moved by Mr White raises issues, which have been debated before, about the confidentiality of the agreements and the bids by other people who participated in the bidding process for the casino licence. I do not know that I can say anything that adds to what has been said in the house before. I respond now because Mr White put the proposition reasonably and rationally.

This was not the usual tender process where parties are asked to tender on a fixed proposition and the winner is required to perform in accordance with the terms of the tender. This was a process for selecting a licensee. The licensee was to be selected on a range of criteria, including probity issues, gaming experience, infrastructure proposals, the offer of benefits to the government and a range of things including the design of the proposed development.

The Victorian Casino Control Authority considered those criteria and whittled the tenderers down to two before finally recommending one to the

government. The authority decided that that was the successful bid on the basis of both financial and design considerations, and that it also met probity requirements. The government accepted that advice and the bidder became the licensee. At that point, that process ended. A selection process was entered into and somebody was selected as the preferred licensee.

Moving to the next stage, which was the implementation of the project, the starting point was legislation ratifying the management agreement. That legislation passed through both houses; it was agreed to by honourable members on both sides of this and the other house. That legislation contained within its provisions allowing variations to the design. The principal act has always allowed for variations to the management agreement. There is nothing secret or strange about that. Not only was that in the legislation which passed through both houses but it was specifically referred to by the spokesman for the Labor Party at the time, the former honourable member for Coburg in the other place, Mr Tom Roper. He said quite specifically that this clause should be included because no development project could proceed without change and that there would be a need for changes. I think he said he expected that the end project would not be like the project then put before the house, or words to that effect.

The DEPUTY PRESIDENT—Order! It is not possible under standing orders for the minister to quote an honourable member in another place except in general terms - perhaps by quoting newspaper articles.

Hon. HADDON STOREY - I accept the proposition, and I did not intend to quote the actual words used. He addressed the issue during debate in the other house.

There is nothing in the casino management agreement or the Casino Control Act that talks about minor variations; I know Mr Nardella spoke about minor variations. The licence is granted, the successful licensee pays the up-front fee and commences to do everything involved in the project - which means expenditure of substantial amounts of money.

It is unreal at this stage to say, 'This was a tender process, and if any variation is made tenders should be reopened'. It would be impossible to reopen at this stage. A decision has been made and the world moves on from that decision.

The agreement enables applications to be made for variations. There is a process by which that is dealt with: it finishes up in this house or in the other house, both of which have the ability to disallow any variations if that is what is desired, and so the process continues.

In that context the notion of reopening is unrealistic because it is based on a fundamental fallacy: that this was a tendering process in which the party that was successful had to do exactly what the tender provided. That was not the case at all. The successful tenderer had to provide a development along the lines provided, with a facility for variations, if applicable.

Mr White spoke about the proposed changes. He keeps on asserting what the changes are, but I do not accept his assertions about the proposals. He stated that the notion of having a 1000-room hotel transforms this project from an Australian-style casino, which is a casino with a hotel, to an American-style hotel, which is a hotel with a casino.

I do not accept Mr White's description and analysis of an American casino. I agree that hitherto an Australian-style casino - it has been the case in other parts of Australia - has been a casino that has an ancillary hotel. However, this project was never that sort of project. The original brief required an American-style casino - a complex with an entertainment facility, a casino and a hotel of some dimension. It was intended to be very much in line with the American-style casino of today.

I said I do not agree with Mr White's analysis because I still believe that even with an American-style casino concept of an entertainment area, a casino and a hotel, it is the casino and the entertainment that drives the necessity for the hotel, and not the hotel that drives the necessity for the casino. I have seen those casinos, as have Mr White and others. In those establishments the hotel is still ancillary not just to a casino and a gaming facility but to the whole entertainment complex, which is designed to attract people. These establishments seek business and turnover and are not just gambling dens in the old style. The Melbourne casino proposal was always an American-style proposal rather than an Australian-style proposal. That also applies to the proposed Sydney casino.

The sort of change that would result in a larger hotel would not transform the nature of the proposal; it would simply be an American-style casino with a

## CASINO CONTROL (MISCELLANEOUS AMENDMENTS) BILL

880

COUNCIL

Wednesday, 25 May 1994

larger hotel and would not change the nature of the casino.

One has to ask: if what the opposition says is correct, when does that cease to be the position? Does it go on for the duration of the 40-year lease? Does it go on for the 12-year exclusivity period? It is being asserted by the opposition that you cannot change this complex from what was in the original design.

Hon. D. R. White - We are talking about a transformation within six months!

Hon. HADDON STOREY - Mr White talks about a period of six months. The principle is the same whether it is six months or six years. It might be harder to appreciate or accept after six months than after six years but clearly the same principle is involved.

Hon. B. E. Davidson - Did the successful bidders know they were going to be able to change?

Hon. HADDON STOREY - I am asked whether the successful bidders knew they would be able to change. They knew what was in the agreement, and that was allowed in the agreement.

Mr White raised the issue of whether the unsuccessful parties, 111' Sheraton, had a similar clause in their agreement and quoted from newspaper reports and a letter from 111' Sheraton. I can only quote the Chairman of the Victorian Casino Control Authority, who said publicly that both Melbourne Casino Ltd, which was the 111' Sheraton consortium, and Crown Casino Ltd sought the ability to vary their design proposals should they be the preferred applicant and that they both signed agreements before the final selection which provided a process for consideration of variations. I rely on the word of the Chairman of the Victorian Casino Control Authority, whose word on this matter should be accepted.

Hon. Jean McLean - I have never heard that argument before.

Hon. D. R. White - This is a bloke who wrote a book on contract law!

Hon. HADDON STOREY - When people cannot accept the logic of something they often turn to abuse. That is all right; I have no problem with that

For those reasons the government cannot accept the opposition's argument. I said earlier that aspects of confidentiality apply to all these matters. The same arguments have been raised previously and I give the same reply on this occasion that I gave on those occasions. Mr White raised some other matters. I am not sure whether I can respond to them now.

The DEPUTY PRESIDENT - Order! The minister can deal only with issues raised in the proposed amendment to the second-reading motion.

Hon. HADDON STOREY - Mr White raised the issues of the suitability of the site and commented on the fact that the development has already been delayed. There is no secret that work on piling is behind time. Mr White stated that the opposition had been assured by Professor McIntyre that the problems encountered when the Victorian Arts Centre was being built would not have an impact on the construction of the casino. Professor McIntyre has given the same assurance to the government

The explanation provided is that since the days when the arts centre was being built much more has been discovered about the locality and the nature of the ground there. The lessons learned and principles applied in the course of construction of the Southgate complex, which is just downstream from the arts centre, will be applied in the building of the casino on the Southbank site. The effect of all the advice I have received is that it will not be a problem. Work is behind at the moment for a variety of reasons, but I am assured that the completion date for the piling will be met.

I have also been assured that the requirements of the agreement will be met. The agreement states that the casino must be opened by the middle of June 1996, not by March 1996. Mr White asked for my views on the completion date. I can only say that in light of the advice and assurances I have received the casino should be able to be built by the due date. There is an incentive for the licensee to meet that target. Mr White asked what penalty would apply if that target were not met. The management agreement provides for a penalty of \$50 000 a day for failure to comply with the time frame in the agreement. That would impose a substantial penalty upon Crown Casino if it does not satisfy the requirements of the agreement.

There are other financial penalties imposed upon them not by way of agreement but by way of holding charges. Having invested the amount of capital in the development of the site, which they are

# FINANCIAL AGREEMENT BILL

Wednesday, 25 May 1994

COUNCIL

881

now doing, they will have to continue to do that under the agreement. Serious financial losses will be suffered if they do not complete the casino on time.

I have received advice from the nominated representatives who have examined the holding and capital costs involved in not developing the site. The licensee would suffer a substantial financial loss if the project is not completed on time. There is a clear incentive to take whatever steps are necessary to ensure that the work is completed.

Mr White raised the matter of Sportsbetting and asked about arrangements that he believes were made by Mr Phil Power. I am not aware of any such arrangements. I will follow up the matter but I emphasise that anybody in any position of responsibility in relation to the casino will undergo stringent probity checks. That will continue to be the case.

Although I am unable to comment on the individual named, whoever is involved will be subject to probity checks and will be unable to take part in the operations of the casino or Sportsbetting unless he or she has been approved by the authority. I thank opposition members for their support, although they have some reservations.

House divided on omission (members in favour vote no):

|                    |          |              |
|--------------------|----------|--------------|
| Asher, Ms (Teller) | Ayes, 26 | Guest, Mr    |
| Ashman, Mr         |          | Hall, Mr     |
| Atkinson, Mr       |          | Hallam, Mr   |
| Best, Mr (Teller)  |          | Hartigan, Mr |
| Birrell, Mr        |          | Knowles, Mr  |
| Bowden, Mr         |          | Skeggs, Mr   |
| Bridson, Mr        |          | Smith, Mr    |
| Connard, Mr        |          | Stoney, Mr   |
| Cox, Mr            |          | Storey, Mr   |
| Craige, Mr         |          | Strong, Mr   |
| Davis, Mr          |          | Varty, Mrs   |
| de Fegely, Mr      |          | Wells, Dr    |
| Forwood, Mr        |          | Wilding, Mrs |

|                         |          |                 |
|-------------------------|----------|-----------------|
| Gould, Miss             | Noes, 12 | Mier, Mr        |
| Henshaw, Mr             |          | Nardella, Mr    |
| Hogg, Mrs               |          | Pullen, Mr      |
| Ives, Mr                |          | Theophanous, Mr |
| Kokocinski, Ms (Teller) |          | Walpole, Mr     |
| McLean, Mrs (Teller)    |          | White, Mr       |

Pairs

|            |              |
|------------|--------------|
| Baxter, Mr | Davidson, Mr |
| Bishop, Mr | Power, Mr    |

Amendment negated.

Motion agreed to.

Read second time.

Passed remaining stages.

## FINANCIAL AGREEMENT BILL

Second reading

Debate resumed from 17 May; motion of Hon. R. M. HALLAM (Minister for Regional Development).

Hon. T. C. THEOPHANOUS (Tika Jika) - The opposition does not oppose the bill. However, it is glad to have been provided with the opportunity to make some comment on the financial agreements between the states and the commonwealth.

Hon. R. M. Hallam - It is within the ambit of the bill, of course, Mr Theophanous.

Hon. Bill Forwood - It is a narrow bill, Mr Theophanous.

Hon. T. C. THEOPHANOUS - The bill concerns financial agreements between the states and the commonwealth, and I intend to comment on that. As it stands, the bill puts in place a financial agreement between the states and the territories.

Hon. R. M. Hallam - It does not actually; not between the states and the territories.

Hon. T. C. THEOPHANOUS - Between the states, the territories and the commonwealth. The opposition does not oppose the bill or the financial arrangements that have been entered into between the states and the commonwealth. As it stands, the bill establishes an appropriate financial borrowing framework by the states and the commonwealth and relates to the activities of the Australian Loan Council.

The bill provides firstly for the abolition of restrictions on borrowings by the states in their own names. The bill is simply a formalisation of existing arrangements that have already been reached. Secondly, the bill removes the commonwealth's

explicit power to borrow on behalf of the states. Although the commonwealth has that power, it has not exercised it as a result of arrangements with the states.

Thirdly, the bill removes the requirement for future commonwealth and state borrowing to be approved under the provisions of the commonwealth-state financial agreement. Fourthly, the bill removes references to the National Debt Sinking Fund, which was established as a way of placing funds that the commonwealth borrowed on behalf of the states into trust-type accounts called debt sinking funds. Fifthly, it includes the Australian Capital Territory and the Northern Territory as members of the loan council and as parties to the financial agreements between the states and the commonwealth.

The loan council financial agreement has a long history. It began in 1927 and its purpose was to regulate commonwealth and state borrowing. At that time it required all parties to submit annual borrowing programs to the loan council for approval, and that continued until recent times.

Hon. Bill Forwood - Did you abide by the loan council when you were in government?

Hon. R. M. Hallam - Don't ask awkward questions.

Hon. T. C. THEOPHANOUS - Mr President, I am happy to talk about loan council requirements and I will do so at a later date. The opposition wants to put on the record the history of the financial arrangement. Over the years the financial agreements have been contentious, to say the least. One of the major areas of contention was the failure of the loan council to distinguish between what might be called borrowings for income-earning assets and borrowings for non-income-earning assets. The example with which I was personally associated was Loy Yang B. The then government wanted to borrow additional funds to complete the construction of the Loy Yang B power station. However, those funds were not available through the loan council.

Hon. R. M. Hallam - Why not?

Hon. T. C. THEOPHANOUS - Because there was a certain limit on available funds.

Hon. R. M. Hallam - It was beyond the limit of the loan council.

Hon. T. C. THEOPHANOUS - There were certain limits on funds to particular states. It meant that if a state had a large capital investment program that it wanted to put in place, such as Loy Yang B, the only way it could raise the capital within loan council limits was to cut back on capital spending on schools, hospitals or some other form of capital works. In the case of the construction of the Loy Yang B power station, the government decided to cut back on capital works programs in education, health, community services or some other area. The problem was that at that time the loan council failed to distinguish between capital works with income-earning assets and capital works that were not in that category. That was certainly a source of some tension. Over the years the failure to make those types of distinctions caused tension in the financial agreements between the states. I know the minister is interested in this.

Hon. R. M. Hallam - I should be because I am actually following you in my second-reading notes. You are repeating them almost verbatim.

Hon. T. C. THEOPHANOUS - I don't think there is any reference in the minister's second-reading speech to Loy Yang B!

Hon. R. M. Hallam - In that case why don't you go back to the bill?

Hon. T. C. THEOPHANOUS - I was describing the financial arrangements the commonwealth put in place in the past - which this bill changes - which limited the state's capacity to raise capital funds for the construction of the Loy Yang B power station. It is appropriate to bring forward examinations of that sort to illustrate how capital borrowings have occurred in the past.

In 1929 the Commonwealth government took over responsibility for gross public debt but reserved the right to recover from the states interest on the debt. That allowed the commonwealth to both borrow on domestic and international markets on behalf of the states and recover various amounts from the states. That formula was advantageous because in general the commonwealth was able to borrow at rates better than individual states were able to achieve. That was especially so given the differentials in state credit ratings. For instance, Victoria borrows at interest rates higher than those imposed on Queensland or New South Wales because of the credit rating differentials, which the present government has done nothing to improve.

Hon. B. N. Atkinson - Moody's and Standard and Poor's have revised the credit rating.

Hon. T. C. THEOPHANOUS - Because Mr Atkinson is so interested, I shall tell him that one of the reasons why Victoria's credit rating is so bad is the excessive borrowings of the government, together with the fact that for 12 months the Premier and the Treasurer did nothing but bag Victoria. That had an obvious effect on the financial markets. To his credit, the Treasurer recognised that and changed his behaviour. Mr Atkinson would not have a clue about that because he probably has not even read the bill. The changes to the arrangements involving the commonwealth's borrowing on behalf of the states has had an effect on state borrowings because the commonwealth can borrow at a lower rate.

The original financial agreement provided for the establishment of a sinking fund for state debt. Funds were placed under the control of the National Debt Commission. This bill establishes a trust account for the redemption of debt. That will replace the National Debt Sinking Fund and the Northern Territory Debt Sinking Fund. It also formalises the arrangements that have been in place since July 1990.

Hon. R. M. Hallam - You are reading directly from the second-reading speech.

Hon. T. C. THEOPHANOUS - The minister is incorrect. I have my own notes. The response is typical of the minister's small mindedness when someone wants to analyse the bill.

Hon. R. M. Hallam - Have a look at your own benches; how many people are here to support you?

Hon. T. C. THEOPHANOUS - It has obviously got a bit much for the minister, because he is unable to respond in a reasonable way to the arguments I am putting. He does not have the courtesy to allow the opposition to put on the record its support for the bill. I would have thought even he would show that degree of courtesy.

Hon. R. M. Hallam - Not if you are going to regurgitate the second-reading speech.

Hon. T. C. THEOPHANOUS - The minister is obviously under a lot of pressure, which I can understand. He ought to be under pressure given the mess he has made of local government, WorkCover and regional development.

The bill formalises the arrangements agreed to by the commonwealth and the states. The issue of state taxing powers has arisen from various interpretations of the Constitution. Most of the taxing powers were placed in the hands of the federal government, which then distributed tax revenue to the states. The taxation distribution formula has been a bone of contention between the states and the commonwealth. The opposition recognises that the equalisation arrangements have disadvantaged Victoria and have meant that the state has had to pay a greater proportion of taxation compared with the taxation receipts it has received. The main reason for that is the methodology employed by the grants commission, which calculates the average cost of delivering services in Victoria. It estimates that the cost of delivering a service in Victoria is less than the cost of delivering the same service in, for instance, Queensland. For example, the grants commission estimates that it costs 87 cents to deliver in Victoria what it costs \$1 to deliver in Queensland.

The commission has failed to take account of the greatly improved telecommunications and transport systems which militate against the so-called natural advantages Victoria enjoys. The commission would do well to reconsider the basis of those calculations. The opposition would support the government if it asked the commission to reconsider its methodology, because as it stands it disadvantages Victoria.

It is not only a calculation of service delivery but it also relates to direct grants to the state which are calculated on the state's revenue-raising capacity or revenue effort. That revenue effort is based on the notion that it will cost Victoria more than Queensland because the gross state product per capita in Victoria is greater than that in Queensland. The Commonwealth Grants Commission calculates that on the basis of Victoria having a greater level of taxation and revenue and makes a calculation that Victoria should get less money. When the Labor Party was in government it fought against that way of thinking because it severely disadvantaged Victoria.

The opposition is happy to join with the government in attempting to change that. I know the Treasurer is interested in these matters, even though the Minister for Regional Development neither cares nor understands. The Treasurer has certainly said that he is concerned about the low level of revenue coming to Victoria from commonwealth sources and how that has declined over the years. The opposition

has the same concern, notwithstanding that the minister wants to treat this matter as irrelevant and not worthy of being put on the record.

In recent times the commonwealth has made its budgetary savings at significant cost to the states. The federal government was producing surplus budgets at a time when all states were producing deficit budgets. It was able to do that because it shifted the costs to the states by not providing the states with the revenue they required to fund their services. That is one factor that led to the recession in Victoria. Victoria was unable to apply the revenue it should have received from the commonwealth to keep its debt levels down and to finance services.

I am not suggesting that all of the revenue problems of the previous government were generated by the commonwealth, but I am saying, along with the Treasurer, that the commonwealth was causing significant problems and that there will continue to be significant problems in the financing of services in Victoria because the proportion of revenue coming to the states from commonwealth sources has continued to decline over the years.

The opposition welcomes the three-year agreements reached between the commonwealth and the states which should at least guarantee revenue levels for the states or provide some certainty in relation to that. But it does not redress the imbalance between the states and the commonwealth or the imbalance between the amount of funds going to Queenslanders versus Victorians because those funds do not equate to the funds the commonwealth collects from the states. Although the opposition accepts that some stability is being offered, more should be done, and the opposition looks forward to cooperating with the government to achieve that.

The individual rating of states by credit agencies has resulted in states borrowing at different rates and paying different rates of interest. This is a result of the financial arrangements between the commonwealth and the states and where the commonwealth does not borrow on behalf of the states. There is no reason for such a large differential between the various states and their credit ratings.

Hon. R. M. Hallam - Why?

Hon. T. C. THEOPHANOUS - Firstly, the states operate within a federation, and in a sense the commonwealth is the final guarantor of the states.

Hon. R. M. Hallam - I think they might dispute that.

Hon. T. C. THEOPHANOUS - They may dispute that but the existence of the states within the federation means that the states are part of that federation. That does not, however, justify the different rates the states pay. Those rates are based on the notion that a particular state is more likely to default on its payments than another state. I do not believe the commonwealth would allow a state to default on its obligations to its debt. That is only one side of the argument. The other side is that states, in any case, are not like private citizens. They have taxing powers and are able to increase their revenues through taxation. They do not have to do it like businesses through increased profitability. The government has shown how that can be done very efficiently by increasing taxes so that every householder in Victoria must pay an extra \$1500 in taxes. The revenue in the end can be queried. If that is the case, the risk is very minimal.

Hon. R. M. Hallam - Why couldn't you convince the lenders. It was the lenders who determined what our borrowing rates should be.

Hon. T. C. THEOPHANOUS - Again the minister is showing his ignorance, because it was not only us who could not convince the lenders; he could not convince the lenders.

Hon. R. M. Hallam - We accept their judgment, but you would not. You are arguing that Victoria should have enjoyed the same borrowing rates as another state that had the prospect of repaying the debt.

Hon. T. C. THEOPHANOUS - You are an idiot!

The PRESIDENT - Order! The honourable member should continue without provocation.

Hon. T. C. THEOPHANOUS - The minister is embarrassing.

Hon. R. M. Hallam - You wouldn't get away with that in any kindergarten.

Hon. T. C. THEOPHANOUS - I am making the point about the differential between the states that is set by the market. The differential should not be as high as it is. Significant academic argument stands behind the position that I have put.

Hon. R. M. Hallam - It is not an academic argument; it is a commercial argument.

Hon. T. C. THEOPHANOUS - The minister would not know that. He is a picky man who does not want to listen to the debate. He is tired, depressed and probably has too many of his own problems and does not want to listen to other arguments.

Opposition members have not come into the house to argue about the bill. The arguments which have been put forward are more or less accepted by the Treasurer who, thankfully, has a bit more nous than the minister sitting at the table, because the Treasurer is of the view that Victoria is being rated unfairly by the credit rating agencies. If the Treasurer is of the view that Victoria does not receive its fair share of commonwealth funds - -

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS - You have been criticising everything I have said! The Treasurer is of the view that Victoria does not receive its fair relative share of funding. I am quite happy to stand on the same side as the Treasurer on this issue and the minister can go off into fairyland where he obviously ought to be at the moment.

Hon. R. M. Hallam - That is where you have been for the last hour!

Hon. T. C. THEOPHANOUS - Opposition members will certainly work with the Treasurer in trying to ensure that Victoria receives a greater proportion of funds from the commonwealth government. I am happy to put on the record that members on the opposition side of the house are content to work with the Treasurer in improving Victoria's credit rating. We do not want to be involved in the business of talking down Victoria as the government did in its first term in government, and certainly when in opposition. What the opposition is about is trying to - -

Hon. R. M. Hallam - You actually destroyed the credit rating!

Hon. T. C. THEOPHANOUS - Your government talked down Victoria and you ought to be ashamed of yourself! What the coalition did and said in the lead-up to the election was disgraceful.

The PRESIDENT - Order! The honourable member must address the bill.

Hon. T. C. THEOPHANOUS - There is a significant body of academic knowledge which suggests that, given that states have taxing powers, the differential in terms of credit rating ought to be less than what it is, and I am sure that the Treasurer - -

Hon. R. M. Hallam - But the lenders don't believe you. They make a judgment.

Hon. T. C. THEOPHANOUS - It is not the lenders that make the judgment; it is the credit rating agencies that make the judgment, which just shows how much the minister is aware of the situation. For the minister's information it is the credit rating agencies that make a judgment and apply a rating, and the lenders use that rating to set their levels. It is obvious that the minister has absolutely no idea of what goes on. No wonder he is not able to get a single job in regional Victoria as the regional employment minister, because he does not have any idea about how financing takes place in the nation.

Governments try to influence credit rating agencies and put arguments forward to them, and much of that argument is about their capacity to repay and their taxing capacity. It is a matter of judgment, because even the credit rating agencies are quite often divided on the level at which a particular state ought to be judged.

For quite a long time Australian companies were rating the state at a differential rate from that used by Moody's Investors Services. That was happening for a long time - one of them was right and the other was wrong - but it had a direct effect on the state of Victoria, and it is important that - -

Hon. B. N. Atkinson - You don't know the meaning of differential, and it doesn't apply, by the way.

Hon. T. C. THEOPHANOUS - It is important that these arguments are raised and that Victoria is put in a position based on its capacity to raise revenue and reflecting the hugely increased taxes of the present government. On this basis Victoria's credit rating ought to come down.

In conclusion, I am trying to help the present government on the matter, but obviously the minister is not interested because he does not understand.

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS - I reiterate that the opposition does not oppose the bill because it formalises a set of arrangements that have already been in place for some time, and those arrangements make sense in financial terms. However, I place on the record that the opposition is still concerned about the level of resources being made available to the state of Victoria by the commonwealth government and its share relative to other states.

**Motion agreed to.**

Read second time.

**Passed remaining stages.**

**VICTORIAN INSTITUTE OF MARINE SCIENCES (AMENDMENT) BILL**

*Second reading*

**Debate resumed from 24 May; motion of Hon. M. A. BIRRELL (Minister for Conservation and Environment).**

**Hon. B. T. PULLEN** (Melbourne)-The Victorian Institute of Marine Sciences (Amendment) Bill deals with changes to an institute that has been in existence since 1974. The origin of the institute is quite interesting: it came about as a result of pressure from the Royal Society and a committee was set up at the time to try to raise the profile of and interest in research in marine science in Victoria.

The debate that occurred then was provoked by the establishment of the Australian Institute of Marine Science in Townsville and a belief among people who were concerned both with the tapping of the resources of the waters around Victoria and the handling of some of the emerging conservation issues in relation to the management of the waterways that there was a need for such an institute.

The genesis of the institute was work done by people who were part of the universities: some of them were public servants in the antecedents of the research area of the Department of Conservation and Natural Resources, and people who were active in the Royal Society at that time.

**Hon. M. A. Birrell** - I think it was designed to get a large federal grant!

**Hon. B. T. PULLEN** - I am not sure about that; I have not researched it to that extent. However,

they wanted to get an institute of some standing, and it is interesting to note that in the second-reading speech the government of the day indicated that it regarded the institute as being in the same category as a fauna institute.

It is interesting that the debate on the formation of the Victorian Institute of Marine Sciences (VIMS) ran to some 40 pages, which reflects that there was considerable interest in the whole concept.

The thrust of the bill is that consideration should be given to whether the Victorian Institute of Marine Sciences (VIMS) should be closely controlled and funded by the government or whether it should be a stand-alone private institute that has to find its own sources of finance.

The problem the institute is now facing springs from the fact that the dilemma to which I have referred was never clearly resolved. The structure of the institute involved links to the government; but it had the character of being an independent if not separate institution in the model of the Florey institute. The differences are that VIMS has had to report to Parliament and to be accountable to the minister, whereas the other institutions to which I have referred do not have those responsibilities. At the same time VIMS did not receive the same level of government funding that the Australian Institute of Marine Science received. The Australian institute has a budget of between \$16 million and \$17 million and receives \$13 million to \$14 million by way of appropriation. On the other hand VIMS has a total budget of less than \$1 million.

The Auditor-General's report must be set against that background. Although it is critical of the financial arrangements and some aspects of the management of VIMS, it contains positive comments about the quality of the scientific work of the institute. It also makes positive reference to the work it has done for various institutes in Australia and to the quality of the staff.

I support the government's method of dealing with the problem by attempting to retain a focus on marine sciences in Victoria. The institute's connections with the Department of Conservation and Natural Resources and the minister have been too indirect. During the eight months or so that I was the minister, I received no reports and had no problems directed to my attention. I notice that it took nearly 12 months before a problem was directed to the attention of the current minister. He took appropriate action, having the institute

## VICTORIAN INSTITUTE OF MARINE SCIENCES (AMENDMENT) BILL

Wednesday, 25 May 1994

COUNCIL

887

examined by the Auditor-General and, subsequently, introducing the bill. In that aspect I adopt a bipartisan response to the issue.

The proposal to increase the involvement of government goes against most of the original arguments that suggested that VIMS should be a separate, stand-alone private sector authority - and it is ironic that is so. I support the current move. If it is to undertake that sort of research, VIMS must accept that because funds have to be allocated the organisation must be accountable. One of the problems faced by organisations such as VIMS is that they must live by obtaining research grants and therefore are not masters of their own destinies.

The people involved in the organisations may have a vision about the kind of research that needs to be undertaken in Victoria, relating either to industry or to the environment; but at the same time they must apply for grants that will provide them with income. Grants are provided based on the priorities of those who give them, which may mean that the priorities of the institution cannot be maintained.

Organisations like VIMS must obtain cash in a competitive market, which often means that they cannot have long-term programs. No doubt it is true that every grant has to be chased - and no doubt it is true that organisations try to develop strategies. However, as I said, they face some difficulties in the finance area.

The Auditor-General's report makes it plain that the management of the institute became a bit too difficult. Finances became a bit tight, management became a little slack and cash flow problems emerged. As a result, the institute is seeking to move closer to government and to be more accountable to the minister. The functions of the committee must be tightened. Originally it comprised 18 members, and that was later increased to 24. The members of the committee have been good people. When one looks at a list of members one sees that they have been eminent and well-qualified people. Honourable members cannot criticise three of its members, because they are our colleagues!

However, it seems the members of the board have not been able to devote enough time to management tasks and to looking after the finances of the organisation. It is probably true to say that given the committee membership of 24, some people gave in to the temptation of leaving the work of looking after the finances, for example, to somebody else.

The bill provides for the board of seven people with a mixture of the abilities necessary to manage and direct an institute such as VIMS. Its provisions requiring the institute to report to both the department and the minister will also strengthen its accountability. The bill empowers the minister to give references to the board, which is, I suppose, the quid pro quo for increased funding and a stronger link with the government. As a result the government of the day will be able to make better use of VIMS when making strategic decisions about the directions in which research might go.

On the whole the bill is a reasonable response to the current situation. It is in line with the positive recommendations of the Auditor-General. The potential exists to establish a body that comprises people with a high degree of expertise who will focus on marine sciences. It is important to keep together a team that has a good reputation in the field. The alternative would be to place Victoria in the situation of having to rely on other institutions or to go to other states for research work. On that basis, I indicate that the opposition supports the bill.

**Hon. R. J. H. WELLS** (Eumemmerring) - The Victorian Institute of Marine Sciences (Amendment) Bill is a straightforward piece of proposed legislation which I do not expect Parliament will have any difficulty with. It sets out to do a simple job, which is to reorganise a small research institute. The second clear aim of the bill, which Mr Pullen has referred to - it is the hope of all honourable members - is that the reorganisation of VIMS will lead to important results in research into and the management of the marine resources of the state of Victoria.

In his second-reading speech the Minister for Conservation and Environment spelt out simply and clearly the history of the institute. As he said, VIMS has been going for only 20 years, which is a short time in the life of a modern scientific research institute. Honourable members will be aware, for example, that it takes longer than 20 years to establish a university. As Mr Pullen also said, when one is dealing with a small institute, it is more difficult to guarantee a steady rate of progress, which is one aspect of the problems the institute has faced.

The institute's true spirit is caught midway between government and outright research. It might have been better if the institute had been one thing or the other and had grown more rapidly. I shall refer to that point again. I urge the government to increase

the size and capacity of VIMS. It needs a minimal take-off size, so to speak. It needs enough scientists to provide cross fertilisation if it is to make a go of it.

In my early years in Parliament I had the privilege and pleasure of serving on the council of VIMS for a few years while Dr Laurie Hammond was its director. At the time my view was that the institute was tightly managed financially and was growing rapidly in its scientific work. The work done by VIMS was well respected, as has been pointed out by both the minister and the Auditor-General. That was so because it competed in the market as a small research institute and obtained two-thirds of its funding by undertaking projects for industry; they were mostly short-term projects.

There is enough in the background of this institute to easily justify the comments of both the Auditor-General and the minister that this extremely small institute has done good work in the past. The important point is that the work has been good enough to give the government every encouragement to keep the institute going and to want to make it more effective. I commend the minister for that decision.

I will outline some of the reasons for wanting to keep it going and wanting to make it more effective. It is quite obvious - I have said this in this place before - that marine resources are vastly underestimated. Two-thirds of the globe are covered in water, yet we are still hunters and gatherers there while on land we are farmers and technologists. We could learn a great deal from the waters of the globe if we were to look at them in a more scientific fashion.

Australia has control of more water-covered surfaces of the globe than it has of land; it controls an area of 370 kilometres in radius out from the land mass right around, which is an enormous area. It is so big in fact that in recent times Australia has had some difficulty in policing that area and in ensuring that it is placed under appropriate beneficial control and that people cannot come and go without there being some order to their fishing activities.

It is extremely important to recognise that we still do not tap the water resources of the earth to any degree. In round figures, the Australian gross national product is about \$400 billion a year. Of that, only \$16 billion comes from marine resources, which is 4 per cent. Some 96 per cent comes from the land and 4 per cent from the oceans. The way the world's population is expanding, it is quite possible that we

may - although I am not a pessimist - reach the point at which we cannot continue to expand our production of the things needed by humanity from the land and that we will have to look more to the marine resources to boost, for example, our food supplies. That has already been found to be the case with oil and gas supplies.

It is interesting to note that we already know that the types of animal protein we get from the sea are better for human beings; their consumption leads to a better state of health than the consumption of meats and dairy products from dry land animal production. Those food resources are extremely attractive to people perhaps not just for reasons of novelty. Currently Australia has an unlimited market for whatever foods it harvests from the sea. That comes from a hunter's stance, not from a farming technology stance. Although it has been extremely good in gaining knowledge of the sea, Australia has not capitalised on its opportunities in that regard. It has such a huge coastline that it should be much further ahead commercially and should be utilising it for farming and technological purposes more than it is.

Australia has benefited much from oil and gas from the coastal shelf and is now feeling the cost of that as the Bass Strait reserves fall. Fortunately, the North West Shelf is coming along, but there may be more good opportunities if more money is invested. I suppose it is the province of industry to put in huge sums of money needed - perhaps billions of dollars - and when they are successful, which is not always the case, to recoup a proportion of the profits.

It is quite clear from Australia's history in the past 200 years that all other areas of marine resources are not so developed by industry and that the government has a crucial role in leading the way in their development. The Australian Institute of Marine Sciences based in Queensland has been in existence for about the same time as the Victorian Institute of Marine Sciences but it has a much larger budget, something like 17 to 20 times larger. It receives \$17 million or more a year in funding.

The important point I make in support of the Victorian Institute of Marine Sciences is that the mandate or mission statement of the Australian Institute of Marine Science is to work in tropical waters of Australia across various areas from fishing and food to oil and gas. It really does not contribute to the Victorian situation; Victoria is left to look after itself.

Also, the southern cold water fisheries are quite different from those in northern Australia. There is a real need to have VIMS working in this state. I respect the minister's statement that VIMS has been given another lease of life, and I hope it will be successful. However, that is not sufficient. It is necessary for the government and the minister to commit themselves to ensuring that VIMS is successful. Some research is done in universities and by the Commonwealth Scientific and Industrial Research Organisation; perhaps the CSIRO is the biggest player in the field nationally, but there is need for particular work to be done in Victoria.

There must be a Victorian-driven initiative in this regard. In earlier times the work done by VIMS in areas such as oceanography was profitable research; it returned a benefit for those who paid for it, which of course indirectly benefited the state and even the nation.

We must ensure that we have an effort that is successful. The budget of VIMS is not much above \$1 million. That is an extremely small sum of money for an area of activity that is larger than this state. We have more water out there than we have land. Although money is tight at this time, it is essential that Victoria ensures that VIMS is successful by buying where necessary the services of internationally capable scientists to work here. Victoria needs scientists of different types to work in areas ranging from food production right through to oil and gas, minerals and climatology. All those things are important. Shipping studies have also been carried out in the past, and we cannot forget pollution.

Off the coast line of every major western society - I suspect eastern society also - where there are large cities, there is significant pollution of the sea. We now know that there is poisoning in the waters around the Sydney-Newcastle-Wollongong complex caused by effluent flowing out into the sea. We have concerns about what is happening between Melbourne, Port Phillip Bay and Geelong in a similar way.

Port Phillip Bay alone would provide a worthy subject for part of the work of VIMS. The fate of the scallop fishery in Port Phillip Bay over the past 20 years shows that our resources have not been adequate for the task. Only in the past two years with the program instituted by the former government and administered by the present government has there been the first scientific knowledge of what has been happening with

scallops in Port Phillip Bay. The resource was dying out, but it is now coming back. The same applies to other species of fish in the bay. We have not even known the numbers in the past. We need that sort of information.

There is another challenge for the bay at the moment with the appearance of the Japanese sea star, toxic seaweed and the toxic blooms of dinoflagellates. That trio recently appeared in Port Phillip Bay and I am assured by scientists that their ability to destroy other marine life is a real one. Given our capacity to deal with the bay in a scientific manner, I hope we will adopt a more vigorous program - I refer that matter to the minister - so that we can prevent that from happening. I should have thought that if it did nothing but that, VIMS would have more than paid its way for the funds it receives.

Fishing and related activities in Port Phillip Bay generate about \$0.5 billion a year. That is a relatively small amount when you consider that Australia's fishing industry generates a total sum of \$17 billion. It is not big, but there is room for expansion. Our big coastline means there is room to improve what we are doing. Problems such as pollution and toxicity, which affect the fish and the rate at which we harvest, need real attention.

Marine research in Australia is to some degree in disarray; for some years there has been a proposal to coordinate the marine science institutes in order to get them going. They are not going anywhere. The various players I mentioned earlier are operating independently with few resources and that means the area is not being driven forward.

The other day the National Institute of Engineers called for a national 20-year program for technological development. I applaud that call and hope all governments will heed it to the point of doing something about it. One could say the same for marine sciences and research. We must recognise that money is needed to encourage the various institutions and to get the work done.

In earlier years VIMS had a cooperative agreement with five universities, and we should encourage such agreements. There is capacity within the Department of Conservation and Natural Resources, but we need to encourage it to coordinate with VIMS and industry.

Mr Pullen made a point about the important and delicate relationship between research, industry and government. It is clear that the government proposes

that there be a close relationship between VIMS and government management and resources. I support that policy. The Auditor-General has been accurate in his comments. However, there is a real need to ensure that the institute's spark of research remains vitally alive and that it retains close links with industry. I do not want to see it slip into bureaucracy and fall under the control of bureaucrats. Research is not usually done well that way.

Through the Department of Agriculture Victoria has a good record of real achievement in research, and I encourage the government to ensure that we keep the atmosphere alive in VIMS, which is a small operation, to continue to achieve results. VIMS could take up such major issues as coastal pollution, farming, hunting and harvesting, minerals, oils and gas. I wonder how much of the money generated by the oil and gas recovered in Victoria is being invested and whether more should be invested to continue our development. I do not know, but we need to keep our industrial research going.

VIMS may need regeneration but it should be recognised that that is eminently possible. The institute has also made a small but real contribution to the education of our young people, which is secondary to its main charter. One cannot overestimate the importance of it if it fires even one youngster to become a leader in later times. Although I would not wish to see that get in the way of its major research efforts, it is also part-justification for pushing this little organisation along in the future. I hope the government will vigorously encourage it because we cannot afford to let our marine resources go undirected and unheeded, and I believe that could happen. We need that combination between government, industry and universities. We need to be willing to allow the research capacity of VIMS to grow and we should expect as much of a return from the water as we do from the land of our planet.

On that basis I wish the institute well and the bill well in its passage through the house.

Hon. B. W. MIER (Waverley) - I support the legislation. Recently I travelled to Vietnam and visited the marine science laboratory in Nha Trang, which is a coastal city in central Vietnam. The laboratory was established about 100 years ago by the French when they colonised Vietnam. At its peak the establishment was very advanced in its research, but following the revolution and the demise of the French occupancy and the other influences that shaped the country, the laboratory has sunk into a

state of disrepair and is no longer able to conduct modern scientific research.

As all honourable members should know, Vietnam is a large producer of marine products such as crustaceans. Fish are probably one of the country's main sources of produce and export. When the institute fell into decay it was unable to conduct proper research into its country's most lucrative resource.

During my visit I was asked for assistance and information about modern research into marine sciences and upon my return to Australia I raised the matter with the Victorian Institute of Marine Sciences, which was only too pleased to liaise with the institute in Vietnam about its own work and the limited work that is done in Vietnam. I also contacted the famous Australian Institute of Marine Sciences in Townsville, and it undertook to liaise with the institute in Vietnam. Because Vietnam is a very poor country the institute needs assistance, and in Australian terms it is a sound investment.

As late as the end of the last financial year, Australian business had invested \$6.7 billion in Vietnam, which included investment by companies such as BHP, which has oil developments, Telecom Australia and the SEC. Vietnam is a window of opportunity for Australian investment.

The Victorian Institute of Marine Sciences has made outstanding endeavours in the establishment of liaison and communication with the marine laboratory in Vietnam at Nha Trang, which in turn will develop into increased communication and opportunities in marine science and other activities that both Australia and Vietnam are interested in.

Motion agreed to.

Read second time.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - By leave, I move:

That this bill be now read a third time.

I thank Mr Pullen, Dr Wells and Mr Mier for their comments. The Victorian Institute of Marine Sciences (VIMS) has an interesting history. Many of its staff are regarded as experts in their field and the institute has an excellent reputation, but its recent performance has been lamentable. Its management over recent years has been totally inadequate and its

## SESSIONAL ORDERS

Wednesday, 25 May 1994

COUNCIL

891

accountability to Parliament and the public has been less than what is required.

The antiquated act under which it has operated was a classic piece of legislation of the 1970s, which was perhaps a more innocent time when legislation did not require the strict accountability that is now the case. The size of the board was preposterous, which meant there was not the oversight that was needed. The act provided for the board to delegate its role and responsibility unambiguously to a subcommittee. It was an improper power that led to the many difficulties that beset VIMS. The absence of proper reporting to the Parliament and the minister was clear cut as it was correctly commented on by the former Labor environment minister, Mr Pullen. As soon as I was aware of the problem I called in the Auditor-General. I congratulate the departmental officers who have taken over VIMS and pulled it out of its major financial problems.

I am pleased that the bill rehabilitates the organisation and keeps VIMS fine reputation intact, but puts it on a more satisfactory financial footing. We look to the organisation running well in the future, in cooperation with the department, so that we can get some benefit from the important work VIMS has done to take advantage of the reputation it has built up in the scientific arena.

**Motion agreed to.**

**Read third time.**

**Passed remaining stages.**

## SESSIONAL ORDERS

**Hon. R. I. KNOWLES** (Minister for Housing) - I move:

That so much of the sessional orders as requires that general business shall take precedence of government business on Wednesdays until 2.00 p.m. be suspended from Thursday, 26 May until the end of June 1994 and that until the end of June 1994, unless otherwise ordered by the house, government business shall take precedence of general business from 12.00 noon on Wednesdays.

**Motion agreed to.**

## ADJOURNMENT

**Hon. R. I. KNOWLES** (Minister for Housing) - I move:

That the house do now adjourn.

## Canterbury Family Centre

**Hon. PAT POWER** (Jika) - I direct to the attention of the Minister for Housing for the attention of the Minister for Community Services in another place the Canterbury Family Centre that is run by the Uniting Church.

**Hon. M.A. Birrell** - What electorate is that in?

**Hon. PAT POWER** - The electorate of Victoria. I have received representations from the chairman of the council of management of the Canterbury Family Centre regarding the funding arrangements for the family support program grant for 1994-95, which is expected to be reduced by \$127 000. The centre advised me that it can meet \$90 000 of those savings by forced redundancies and reducing administrative staff. A reduction of \$127 000 will reduce services such as face-to-face contact with clients.

The centre operates six programs across northern, eastern and southern suburbs from bases in Camberwell, Ringwood, Croydon and Dandenong. Honourable members apart from Mr Birrell may be aware that the centre works principally in the area of family preservation; 80 per cent of client families attend because of concern for the welfare of children.

It is acknowledged that the centre has a high success rate. Children who would otherwise be removed from family situations are able to remain at home as a result of the programs run by the centre. The centre saves the community a huge amount of money because of its success rate. It is deeply concerned that the cost-cutting measures will endanger the lives of children already at risk, and with the introduction of mandatory reporting of child abuse, I support the centre's view that services should be expanded, not reduced. I seek the minister's assistance in raising the matter with his colleague with a request that he reconsider the proposal to cut the centre's family support program by \$127 000.

## California Hotel

**Hon. JEAN McLEAN** (Melbourne West) - I direct to the Minister for Housing for the Minister for Health a matter that may cross into his portfolio of the California Hotel, which is a private hotel in Gordon Street, Footscray, and which is situated opposite Western Hospital. The hotel caters for the

homeless, the displaced, alcoholics and the psychiatric disabled. The accommodation costs \$125 a week for breakfast and dinner but it provides no lunch. Adults must pay \$75 a week for a room only.

Health organisations such as the advocacy centre in Yarraville occasionally put on lunches. Last Monday it organised a barbecue for the people at the hotel. Approximately 30 per cent of the borders have a history of psychiatric disorders. It has been suggested by the management that about 30 per cent have been de-institutionalised.

The only back-up service is a weekly visit from a district nurse to attend to the medical needs of the boarders. No psychiatric assistance is available, no local, state or federal government funds are supplied, and the owner of the hotel told me that he receives no winter energy concessions or support of any kind.

The proprietor runs the place at a loss. At times he has had to call the crisis assessment team based at the hospital opposite to assist him because there is no other support. On at least one occasion the crisis assessment team had to leave the hotel without assisting in any way whatsoever.

Hon. W. R. Baxter - Why?

Hon. JEAN McLEAN - They came, they looked and they said, 'This is a big problem; forget it'.

Hon. M. A. Birrell - Is it registered as special accommodation?

Hon. JEAN McLEAN - No, it is a private hotel. Yarraville has many psychiatric patients who have been deinstitutionalised and who are living in private accommodation or in public housing with elderly people. The houses are close to my office.

Hon. R. I. Knowles - You have raised about five different issues. You are only allowed to raise one.

Hon. JEAN McLEAN - But it is all the same problem. People contact my office or the police complaining about disturbances. There is little that either the police or I can do to solve their problem.

The PRESIDENT - Order! Mrs McLean has made her point. I think the minister has the flavour of her remarks, which should not develop into a set speech.

## Environmental research centre

Hon. D. T. WALPOLE (Melbourne) - The matter I direct to the attention of the Minister for Conservation and Environment concerns the Centre for Education and Research in Environmental Strategies, commonly known as CERES, which is located in Brunswick. Although it was established in 1982 on a barren and degraded tip site, it is now the site for a diverse range of pilot programs such as programs for the recycling of paper, glass, plastics and aluminium. It is involved in the home energy improvement scheme. People examined the homes of local residents, particularly pensioners, with a view to assessing and improving their potential energy efficiency.

The centre attracts some 64 000 visitors a year, 20 000 of whom are schoolchildren. CERES enjoyed 10 years of Labor government before the election of this government. However, the Minister for Education reneged on the anticipated grant of \$50 000, resulting in a 25 per cent reduction in the CERES budget. I understand the minister recently visited the site. He would have to agree that the project is a credit to those involved, both in its conception and continuing development.

Although CERES wrote to the minister on 29 April, 1993 seeking support, it is yet to receive a reply. What steps will the minister take to ensure that this socially and environmentally important project is not forced to close through lack of funds, which is a definite possibility at the moment?

## Windarring

Hon. D. A. NARDELLA (Melbourne North) - I ask the Minister for Housing to refer the budget cuts at Windarring, which is an association for people with intellectual disabilities, to the attention of the Minister for Community Services in another place. Windarring wrote a letter to the opposition saying that it is gravely concerned about proposed budget cuts of 25 per cent to the adult training and support services 1994-95 budget. That cut comes on top of further cuts already in place at Windarring, including a 5 per cent cut to its 1993-94 budget.

The clients of Windarring and their families have been forced to pay increased fees and their services are being decreased. One program has ceased altogether. The quality of the program has also been reduced - for example, one full-time instructor is now part time. It has also meant the closure of community access programs for the intellectually

## ADJOURNMENT

Wednesday, 25 May 1994

COUNCIL,

893

disabled. They have had to move into larger group sessions, which means the outcomes are not as favourable for those clients.

Windarring stressed its concerns clearly in its letter stating that surely the government recognises that people with intellectual disabilities are already disadvantaged enough. The letter also states that the government has introduced unit cost funding where the actual cost of providing the service to disabled people has been determined. However, the 2.5 per cent cut is eroding that funding further and affecting staff morale. The stage has been reached where the director is working on some of the programs instead of performing his or her duties. Health and safety aspects of the workers are also a matter of concern. Will the minister examine those special problems and consider a more appropriate level of funding to carry out the important work at Windarring?

### Road improvements

Hon. R. S. IVES (Eumemmerring) - I raise a concern for the Minister for Conservation and Environment. Local coW1cils have expressed concern about the failure of some government authorities and ministries to accept responsibility for financing private street improvements, underground drainage construction and improvements on the land abutting such works. That is not true of all ministries and authorities. However, it has been the experience of the Shire of Sherbrooke, for instance, that although Melbourne Water and VicRoads accept their responsibilities, the Department of Conservation and Natural Resources and the Public Transport Corporation do not.

Currently the shire is considering a construction at Hazelvale Road, Tecoma where the Department of Conservation and Natural Resources has a substantial landholding abutting the proposed works. I would appreciate information from the minister as to the policy of the Department of Conservation and Natural Resources on this matter. What advice will the minister give coW1cils that wish to approach his ministry in respect of such contributions?

### Citizens advice bureaus

Hon. C.J. HOGG (Melbourne North) - The matter I raise for the attention of the Minister for Housing, who is the representative in this place of the Minister for Community Services, concerns the lack of funding for citizens advice bureaus and, in particular, the bureau at Ballarat, whose concerns

were recently directed to the attention of the opposition.

The Ballarat Citizens Advice Bureau has sustained a huge government cut of \$11 000 from its operating budget of \$13 000. The people associated with it fear it will be forced to close, as I believe two other CABs have recently closed.

I believe a special case can be made for the appropriate funding of CABs. They are an invaluable source of advice and assistance that use the energy and skills of volunteers in a highly effective manner. I express concern that during the local government restructure process the funding and other support which often comes from that sphere of government may be lost or absent for a time.

In summary, I believe citizens advice bureaus cannot be run solely by volunteers. There must be some paid coordination time, and funding from local government sources may well be shaky in a time of so much change. I ask the minister to urge his colleague to examine the case of the Ballarat Citizens Advice Bureau with a view to giving it the assistance it so badly needs.

### WorkCover

Hon. T. C. THEOPHANOUS (Oika Jika) - I raise with the Minister for Local Government, who is also the minister responsible for WorkCover, the case of Mr Thomas Lindsay, who has written to both the minister and me. I have also received a letter from his psychologist, Mr Tim Watson-Munro, who is a consultant forensic psychologist. The matter Mr Lindsay raises relates to his having been contacted by an organisation purporting to operate on behalf of the Victorian WorkCover Authority in conducting a survey. Mr Lindsay was interviewed by members of the survey team and he gave them confidential information because he was not informed adequately of the purpose of the interview. He later contacted the authority and was told that 300 people were to be interviewed for the study and that the study would take some time because a number of other people had to be contacted before the figure was reached.

Mr Lindsay's illness arose from an incident in which he was assaulted at his place of employment, and he experienced significant psychological stress as a result. The letter from the psychologist states in part:

... his condition has now been significantly undermined in the context of him being contacted by a market researcher inquiring as to his treatment under the WorkCover system. This most unfortunate telephone call has caused a significant recrudescence and aggravation of his problems ... It would appear that his underlying confidence in the system has been undermined by what he believes to be an inappropriate sharing of very personal information regarding his medical condition with a non-qualified individual ... I believe that the methodology of the apparent research is flawed in the context of the organisation responsible for the research not inquiring discretely beforehand from potential participants as to whether they would be willing to have their medical records disclosed to an independent party for the purposes of research. This omission will no doubt establish all sorts of bias in terms of the responses given by the participants ...

I ask the minister, firstly, whether he will follow up this case and respond to me and Mr Lindsay; and secondly, given that the market research company has, at least in this instance, caused distress and that the claim of the psychologist that the nature of the questioning was very personal, whether he will review the list of questions that are being asked of people in order to ensure that they are not of a personal nature. Thirdly, will he review the whole system of asking people questions over the telephone without prior contact having been made by responsible authorities?

### **Bayside development project**

**Hon. D. R. WHITE** (Doutta Galla) - The Minister for Major Projects has received a number of important submissions on the Bayside development project. I wonder whether he would consider laying on the table of the Parliamentary Library the major designs of the major bidders and, if so, when?

### **Local government commissioners**

**Hon. B. T. PULLEN** (Melbourne) - In response to a question the Minister for Local Government said it was his view that any significant changes to services or staff of amalgamated municipalities should be the province of newly elected councillors, not the commissioners. I welcome that statement.

In exercising their powers in the proposed Yarra municipality, which is part of my electorate, will the minister put in place procedures to curb or prevent excesses by the commissioners in terms of asset sales or basic policy changes that should be the province of newly elected councillors rather than

commissioners appointed in the interim as the newly formed municipality is being established?

### **Responses**

**Hon. M. A. BIRRELL** (Minister for Conservation and Environment) - Mr Walpole raised with me the fact that the Department of Education had ceased its grants to the Centre for Education and Research in Environmental Strategies (CERES), a facility that I visited recently. I commend its staff for their innovative ideas and enthusiasm.

The Department of Education made that decision based, no doubt, on not believing it was a core function, and perhaps something that could be dealt with differently. Certainly CERES can apply for project grants from the Department of Conservation and Natural Resources, which the government would welcome. It does not provide administrative grants to any agency, but project grants are available for project-based ideas. I will be happy for CERES to apply for them. I am not sure whether CERES has done that in the past but it is welcome to do so. I make it clear that there is no reason to exclude the centre from that system and I am happy to receive ideas from it.

Mr Ives raised with me a matter relating to the Shire of Sherbrooke and the question of the Department of Conservation and Natural Resources sharing the cost of services for neighbouring land. I am happy to have that matter examined, but I believe it would boil down to the historic fact of the Crown not being responsible for the cost of those types of services and no government department actually taking up the costs. I am happy to pursue the specific case involved and ascertain what can be done. It may well be an effort by the Shire of Sherbrooke to gain extra funds.

Mr White raised matters about Bayside and, without going into its history, honourable members would know we made a public invitation for expressions of interest and applications for tendering. Five firms applied and the number was narrowed down until earlier this year when it was announced that one firm had a period of exclusive negotiations with us. That matter is now for the Department of Planning and Development to consider and any plans that come out of that would certainly be made public.

As honourable members would probably be aware the Port Melbourne Council has seen the plans of the two most prominent bids, has had briefings on them and has had significant discussions with the group

## ADJOURNMENT

Wednesday, 25 May 1994

## COUNCIL

895

that had the exclusive period of negotiations. I believe it is correct that all of the information on a winning tender be made available within commercial confidentiality when a decision is made and it is not normal for losing tenders to be made available by the government unless that is agreed to by the losing tenderer.

No government decision has yet been made on which I am happy with any honourable member including Mr White in his capacity as shadow minister to be briefed either on a confidential basis or at the appropriate time on a public basis.

Hon. R. M. HALLAM (Minister for Regional Development) - Mr Theophanous raised with me the circumstances of a claimant under WorkCover and cites the circumstances under which the claimant was the subject of a market survey. He asks that a number of issues be followed up, and I shall certainly do that.

Mr Pullen raised with me the responsibility and role of commissioners. He puts it to me that in response to a question in this house I suggested that the commissioners were not likely to supervise a reduction of staff.

Hon. B. T. Pullen - You said it was the province of the electorate.

Hon. R. M. HALLAM - If I gave that impression I am sorry because that was not what I meant to convey. What I said was the way in which the efficiencies are delivered, whether they be by way of rate reductions, extended services or a matrix of both, would ultimately be determined at the council table.

Hon. Pat Power - Or staff reductions?

Hon. R. M. HALLAM - No, I did not actually say staff reductions.

Hon. B. T. Pullen - So you do not include staff reductions as an issue of efficiency?

Hon. R. M. HALLAM - No, that is not what I was trying to convey. In fact there was a fair bit of banter taking place in the chamber at the time. I was trying to say that the role of commissioners is different from that of councillors but if one uses the example of Geelong, which is appropriate because the role of the commissioners has nearly been played out, the responsibilities of those commissioners

involves the establishment of the management structure, and that involves the review of staff.

However, in relation to how we might in Mr Pullen's words curb or prevent an excess by commissioners, that is a subjective assessment but it is fairly clear that commissioners will take their responsibility seriously and when there are issues at the margin I should expect them to act in a conservative manner, taking into account that their role is short term by its nature and that inevitably we will go back to an elected council. Mr Pullen should understand that the roles are substantially different and that is why we are likely to have a debate about the appropriateness of those who currently serve at the council table being entrusted with the new responsibility.

Hon. B. T. Pullen - I was taking your comments at their face value and I actually welcomed them. I am really looking to whether you have thought through a method whereby a kind of watchdog process will occur.

Hon. R. M. HALLAM - The appointment of commissioners will be done by way of a formal set of procedural instructions. The order is detailed. It goes to some lengths to establish the rules by which the commissioners are appointed and by which they operate. I am happy to provide Mr Pullen with a set of orders that have already been employed in the cases that have been determined thus far to show the thought that goes into the determination of the charter. It is done with care, sensitivity and detail to overcome the concerns Mr Pullen raised. In retrospect we agreed the issue has been handled with the sort of sensitivities that Mr Pullen is looking for.

Hon. B. T. Pullen - I appreciate that.

Hon. R. I. KNOWLES (Minister for Housing) - Mr Power raised for the attention of the Minister for Community Services the Canterbury Family Centre and concern about its capacity to cope with a reduction of \$127 000. The centre is well known to me and it has a fine reputation. Mr Power's difficulty is that the reduction is in the overall expenditure that has to be achieved and he is concerned to ensure that that reduction is distributed equitably across the state and that core services such as the Canterbury Family Centre are provided and maintained. I shall make sure that the Minister for Community Services responds directly but I am sure the sorts of issues that Mr Power has raised will certainly be addressed by him.

## ADJOURNMENT

896

COUNCIL

Wednesday, 25 May 1994

Mrs McLean raised a matter for the Minister for Health. Although she referred to the Californian Hotel opposite the Western Hospital I think her concern was much broader and that was about the lack of community services available to support psychiatrically disabled and elderly people living in the community. It is an issue that has been recognised. The previous government had 10 years within which to recognise the imbalance of resources for psychiatric services supporting institutions as opposed to a community setting and the previous government certainly deinstitutionalised a significant number of people but left the resources tied up in the institutions.

The government has embarked on a comprehensive strategy of moving some of those resources out of institutions and enabling community services to be developed. We are committed to a program over the next few years to switch the balance of resources from something like 70 to 30 for institution to community care to a 50-50 basis. That move will lead to the development and improvement of all community-based services. The government has allocated in the budget about \$8 million in capital funds to develop new facilities for its community services to try to provide the services to meet the needs of the very people about which Mrs McLean expressed concern.

As the Minister for Housing I am certainly familiar with the point she made because in the past people have been deinstitutionalised to public housing without being offered any support services. They have necessarily had to take up the only available housing offered, which is often of a poor quality, and the results have often been tragic with ultimate mayhem being created in the neighbourhood.

It has been extraordinarily difficult for the staff of the Department of Planning and Development, who have neither the skills nor the capacity to provide the sorts of services the people need. Although it is not in a position to resolve all those difficulties in the immediate future, the government is certainly committed to improving the range of services available for those with psychiatric disabilities. It will take some time, but the framework that has been developed and the provision of real support through resources are indications of the government's commitment and sincerity in trying to improve on what has been achieved in the past.

Mr Nardella referred to the attention of the Minister for Community Services the Windarrang adult training centre, which has been advised that its funding next year is likely to be reduced by 2.5 per cent. He expressed concern about the impact that may have on intellectually disabled people using that centre. I will convey his concern to the minister.

The point I make about that situation is not dissimilar to the response I gave to Mr Power - that is, that the Minister for Community Services must ensure that his funding is brought back to a basis which is sustainable in the long term. My understanding is that the department has done much work with the training centres to try to establish some unit costs for the services provided and to ensure that the pool services continue to be provided but within an overall budget that the department can manage.

Mrs Hogg raised a concern about funding for the Citizens Advice Bureau in Ballarat. I am familiar with the concerns she expressed. Along with my colleagues, I have taken up the matter with the minister and the department. We hope that some assistance may be provided, but it is extraordinarily difficult to provide the sort of funding to all groups that have previously been funded by the Department of Health and Community Services when it had a budget that is simply unsustainable. Priorities have had to be established.

Although the government recognises the very valuable and important work the citizens advice bureaux undertake and the commitment they enjoy from their many volunteers, it is not easy to satisfy all their concerns. I do not anticipate that the restructuring of local government will necessarily have an impact on the work of those bureaux, but ensuring that whatever support the bureaux receive from the government continues to be provided is a matter that will exercise the minds of the commissioners who will be responsible for local government infrastructure.

Motion agreed to.

House adjourned 10.34 p.m.

Thursday, 26 May 1994

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.03 a.m. and read the prayer.

## VOCATIONAL EDUCATION AND TRAINING (AMENDMENT) BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

## MELBOURNE EXHIBITION CENTRE BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

## SUPREME COURT JUDGES

Hon. HADDON STOREY (Minister for Tertiary Education and Training) presented, by command of His Excellency the Governor, report of Supreme Court judges for 1993.

Laid on table.

## COUNTY COURT JUDGES

Hon. HADDON STOREY (Minister for Tertiary Education and Training) presented, by command of His Excellency the Governor, report of County Court judges for 1992-93.

Laid on table.

## MAGISTRATES COURT

Hon. HADDON STOREY (Minister for Tertiary Education and Training) presented, by command of His Excellency the Governor, report of Magistrates Court for 1992-93.

Laid on table.

## INTRODUCTION AGENCIES

Hon. HADDON STOREY (Minister for Tertiary Education and Training) presented report of Joint Office of Fair Trading and Business Affairs and Consumer Advocacy and Financial Counselling Association Working Party on introduction agencies in Victoria, May 1994.

Laid on table.

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

1993-94 budget estimates and 1992-93 finance statement

Hon. P.R. HALL (Gippsland) presented interim report of Public Accounts and Estimates Committee on 1993-94 budget estimates and report on a matter related to Auditor-General's report on 1992-93 finance statement, together with minutes of evidence.

Laid on table.

Ordered that report be printed.

## ECONOMIC DEVELOPMENT COMMITTEE

Building and construction industry

Hon. P.R. DAVIS (Gippsland) presented report of Economic Development Committee on code of tendering for Victorian building and construction industry, together with appendices.

Laid on table.

Ordered to be printed.

## AUDITOR-GENERAL

Purchasing practices

The Clerk presented report of Auditor-General on purchasing practices, May 1994.

Laid on table.

## PAPER

Laid on table by Clerk:

Members of Parliament (Register of Interests) Act 1978 - Summary of Variations notified between 25 November 1993 and 25 May 1994.

## GAMING AND BETTING BILL

### *Second reading*

Debate resumed from 25 May; motion of Hon. HADDON STOREY (Minister for Gaming).

Hon. D. R. WHITE (Doutta Galla) - The opposition opposes this measure which would enable the privatisation of the Totalizator Agency Board (TAB). Since 1961 the TAB has been an important and effective organisation that came into existence as a result of broad concern about the spread of starting-price bookmaking and the number of people, many of whom had not been involved in any criminal activity, who were illegally betting offcourse as a consequence of the lack of availability of a legal offcourse betting facility.

One of the features of the TAB is to reduce the incidence of offcourse betting and to ensure that no criminal elements are involved in the operation of the TAB. The opposition is not assured that the gaming machines and casino provisions, which relate to the scrutiny of future equity holders and the operations of TA&orp Holdings Ltd, will be subject to the same scrutiny of the gaming commission and the casino that has occurred to date. The opposition's concern relates to the new offshore operations in Vanuatu and the Chung Corporation organisation which have not been the subject of adequate scrutiny to date and certainly not the same scrutiny that occurred with the Victorian Casino Control Authority. If there had been the same scrutiny of the TAB as had occurred with the casino authority it would not have been possible for the Minister for Sport, Recreation and Racing to enter into a contract with the Chung Corporation organisation.

The opposition is concerned about the government's lack of commitment to the TAB. The government has significantly eroded the capital position of the TAB firstly in terms of its relationship with the casino and secondly in terms of its future prospects.

As everybody would be aware, the TAB was part of the Crown consortium bid for the casino. That prospect of having an equity interest in Crown Casino Ltd, which became the successful bidder, may have been worth more than \$100 million to the TAB. The government constructed a set of events

that endeavoured to demonstrate that there had been a substantial reduction in the operating performance of the TAB. It contrived a circumstance by writing off the gaming machine activities and the activities at the Rialto so that it appeared in recent times that the TAB had not been operating as well as it had in former years and that it had an inability to fund equity interest in Crown casino.

Simultaneously, the TAB board moved to remove its equity interest in Crown casino on the basis that it did not have the financial ability to meet its obligations as part of the Crown casino consortium.

The opposition is concerned - it will continue to pursue this matter because issues such as this do not go away - about the circumstances under which the TAB board resolved to discontinue its interest in the Crown consortium bid. The opposition has information that the former chairman of the TAB, Mr Peter Scanlon, has indicated that at the TAB board meeting when it was decided to remove the TAB's equity interest the person who moved that was the deputy chairman of the TAB at the time, Mr Lloyd Williams. Mr Williams made the decision and took the initiative in deciding that the TAB would not form part of the Crown casino bid. Honourable members will recall that I put to the Minister for Gaming that Mr Lloyd Williams had a conflict of interest in being on the TAB board and simultaneously being a member of the winning Crown consortium bid. The Minister for Gaming indicated to the house that it was his view that no such conflict of interest existed. But within a fortnight of the Minister for Gaming saying that Mr Williams retired as a board member of the TAB.

Before I raised the matter with the Minister for Gaming I made contact with the racing industry. I talked to members of the Victoria Racing Club and other racing organisations about Mr Williams's involvement. He is of course a member of the VRC. I talked to a number of prominent people in the racing industry and asked them if it was their view that Mr Williams had a conflict of interest being a member of the TAB and the Crown consortium. They unequivocally said that it was their view that he had a conflict of interest. He clearly had a conflict of interest. Moreover he exercised that conflict of interest by going to the TAB board and initiating a course of action which saw the TAB remove its equity interest. It was not in the TAB's nor the state government's interest to do that. If the TAB was being presented to the market today by way of a float and it had an interest in a successful consortium that had successfully bid for the casino, the value of the casino would have been enhanced.

But the TAB is not a beneficiary of that course of action. The beneficiaries of removing the equity interest in the TAB are the equity holders in Crown consortium, including Mr Lloyd Williams, and the ultimate beneficiaries of that shareholding may now include Mr Kerry Packer.

The government has a very lax view about what constitutes a conflict of interest. It has learnt nothing from the land deals of the 1970s. It has set no rules about conflict of interest, so people like Mr Lloyd Williams, to whom the Minister for Gaming gives unqualified praise and sets no rules as to what constitutes due conduct, believes and knows that the message he is getting from the government is anything goes. Anything is possible, anything can be done. The rules in the collection process and the rules about conflict of interest can be changed at any time. What Lloyd wants, Lloyd gets because this minister is obsequious. He is saying that whatever Crown consortium wants it can have, and it does not matter if it is at the expense of the state government's interest in the TAB or at the state government's expense in terms of what it will now get for floating the TAB.

People previously associated with the TAB have been expressing the view that the TAB's net worth stands to have been diminished by up to \$100 million as a consequence of one single act by the deputy chairman of the TAB deciding to remove the equity interest of the TAB in Crown casino. What is in store next? What is the next step that will occur with the operations of the TAB and TABcorp? The first thing is that as the temporary casino becomes operational, pressure will be brought to bear to close down activities of the TAB at the Rialto and associated fringe TAB activities will further diminish. This government will fall over to any interest at the casino at the expense of the TAB both now and into the future.

A second consequence of this legislation is that by privatising the TAB the capacity of the government to provide any protection to the TAB once the casino becomes operational is removed.

When the casino becomes operational the level of activity in the Totalizator Agency Board will reduce, as occurred in South Australia after the Adelaide casino opened. The diminished level of activity will be reflected in the price that interested parties are prepared to pay for the TAB.

In response to the assertion that the per capita amount spent on gaming will increase with the

introduction of gaming machines and casinos in Victoria, I point out that there is strong evidence that per capita gaming is increasing at the expense of consumption in the retail sector. Eventually there will be at least a temporary diminution in the amount people spend at the races. The Labor opposition proposed a policy to offset that and protect the TAB and the racing industry, which employs 30 000 people directly and 80 000 people indirectly. It wanted the TAB to have an equity interest in the casino similar to its equity interest in gaming machines. The TAB's equity interest in gaming machines means it is part of the total gaming market.

The opposition also said the TAB should have an equity interest in the casino to secure its racing industry base, but the government's policy position was that that was not good enough because that is not what Lloyd wants, and what Lloyd wants Lloyd gets, and that is at the expense of country racing. It will be at the expense of country racetracks.

Honourable members are well aware of what has happened in country Victoria, with the reduction of train and education services. We are about to see what will happen to country towns with the reduction of hospital services and the loss of at least 10 000 jobs as a consequence of council amalgamations. We will also see a reduction in the number of racetracks.

The opposition's position was for the TAB to retain an equity interest in the Crown Casino consortium bid and if it were successful it would share the interest in what was occurring in the casino and protect the racing industry and the position of Victoria as the pre-eminent state in racing in this country. That will be more difficult to sustain because people will now be under pressure to decide where their best prospects are. Either it will affect the thoroughbred industry and the stakes for major events such as the Melbourne Cup and the W. S. Cox Plate and those for smaller country race meetings or it will reduce the number of racetracks, or both.

We have here an Institute of Public Affairs ideology driven by the Treasurer of Victoria being imposed on the Minister for Sport, Recreation and Racing, who is not very alert on the best of days, while there is no adequate policy framework to protect the racing industry.

In his contribution to the debate yesterday Mr Skeggs said he was happy with Sportsbetting

because the casino was not going to operate in competition with racing. I suggest to Mr Skeggs that the emergence of the casino will drive a number of large punters into the casino and will mean less money is available for their activities with the TAB. That will be reflected in the price that the government receives for the TAB. It could have been avoided if the government had retained its equity interest in the Crown consortium bid which was taken from it by the presence of a substantial conflict of interest by Mr Lloyd Williams, which was suggested to the opposition by the racing industry and by the former chairman of the TAB, Mr Peter Scanlon.

The opposition also expresses concern about who drafted the bill: whether it is the Office of State Owned Enterprises or the Treasurer's office, or whether it was led by a group of private consultants. When my colleague in another place, the honourable member for Pascoe Vale, Mr Thomson, asked for a briefing on the bill he was told to see the consultants responsible for drafting the bill rather than officers of the Treasury.

The proposed legislation has been introduced at a time when the government has not yet secured compensation from the federal government for the privatisation of the TAB. When the State Bank, regrettably, had to be sold to the Commonwealth Bank, a taxation arrangement was entered into and agreed upon by the commonwealth government which provided substantial benefit to the state in recognition of the fact that there would be significant revenue gains to the commonwealth as a result of the change in the structure of the State Bank and the partial privatisation of the Commonwealth Bank. There were also tax losses as a result of the transfer of the subsidiary of the State Bank. The benefit of those tax losses would have accrued to the commonwealth and by negotiation accrued to the state.

What is happening in this case with the privatisation of the TAB and the emergence of TABcorp Holdings Ltd means that there will be a substantial new revenue base to the commonwealth. The commonwealth could stand to benefit by up to \$300 million as a consequence of privatisation of the TAB. However, no secure arrangement has been entered into with the commonwealth prior to the introduction and passage of the legislation.

A statement of intention was made at the heads of government meeting in February that some arrangement might be possible, but no arrangement

has been secured with the commonwealth despite the fact that we now have the legislation before the house, which means privatisation will be inevitable. We do not have a guarantee that the agreement will be secured, which could mean not only a substantial erosion in the revenue base but also a substantial capital loss to the state. The opposition remains concerned that despite the fact that over the past two weeks the operations of an offshore project in Vanuatu have been raised with the Minister for Sport, Recreation and Racing in another place he has still not demonstrated that adequate probity checks have been undertaken. If the Gaming Commission had the capacity to carry out probity checks on the TAB the Chung Corporation Ltd could not have got through the net as it has to date. The minister has a responsibility to demonstrate that adequate probity checks will be undertaken in respect of that organisation and that the membership of its hidden trust should be made public. The organisation may still take commercial action against the TAB to recover something from the commercial arrangements that it entered into. The opposition argues that although it is foreshadowed that the legislation will provide for improved probity checks, its experience over the past two years is that there have been inadequate probity checks on the operations of the TAB; that the government has been lax in its policy arrangements in respect of conflict of interest; that appointments have been made that should not have been made; and that commercial contracts have been entered into that should not have been entered into.

There is an absence of adequate commitment by the government in the privatisation of the TAB that adequate probity checks will be made in the future. One could suggest that it would also include the appointment of Mr Peter Scanlon, because if adequate checks had been made the police would have informed the minister of the day that the National Crime Authority had investigations under way that may or may not have produced a charge, but that fact should have been made known to the government prior to the appointment of Mr Peter Scanlon.

Mr Scanlon's appointment is evidence of either an inadequate probity check or the failure of the government to initiate a probity check when it should have done so. The Minister for Gaming has set down standards for the Victorian Gaming Commission and assured the house yesterday that probity checks are important for the casino. If that set of standards, which the opposition agrees are appropriate standards, were applied to the

Totalizator Agency Board (TAB) it is impossible to see how Mr Peter Scanlon could have fallen through that net and been appointed chairman.

In fairness to Mr Scanlon, he should not have been put in the embarrassing position of being invited to apply for and being offered the position, and being forced to resign within a few months pending the outcome of charges laid against him. We do not yet know the outcome of those charges, which will be resolved in court.

Hon. Haddon Storey - Ibat was after charges were laid.

Hon. D. R. WHITE - It is not for us to determine how the police should carry out probity checks or what the operational activities of the police should be. We know that the police have access to interstate, international and, if they wish to use it, federal police information and information from whatever other sources they see fit to use. Ibat being the case and given the significance of the position of Chairman of the TAB, it is reasonable to assume that if the government had asked for probity checks of people appointed to the TAB in the same way as it presumably asked for checks on people appointed to the gaming commission and Casino Control Authority, the beneficiaries of the successful bid for the casino including equity holders and staff members, and staff who run venues for gaming machines, including staff who operate the machines, charges may not have been laid, but the police would have been able to establish that there were matters of concern relating to Mr Scanlon which were the subject of investigation and which may have led to charges being laid. The government should have received that information.

Ibat is on the table because Mr Scanlon was put in the embarrassing position, having accepted chairmanship of the TAB, of being forced to step down at least pending the outcome of charges against him. If the impression the minister has given in the house about the quality of probity checks is valid the government would have been given advice that would have led it to avoid appointing Mr Scanlon in circumstances where charges were to be laid.

The impression the opposition has gained from the words used by the minister as recently as yesterday is that the probity checks that apply to the gaming commission and Casino Control Authority are more stringent than those that currently apply to the TAB. That impression is borne out by the issue of Chung

Corporation Ltd and the appointment of Mr Peter Scanlon. The checks appear to be inadequate; they require significant improvement and strengthening.

The bill represents a major change to the TAB. I have outlined the financial implications of the changes for the racing industry, but apart from the implications the change may have for industry's economic strength, the checks need to be improved and strengthened. The government paid insufficient regard in the second-reading speech to the history of the emergence of the TAB - to what gave rise to it.

The government seems highly confident that none of the problems that existed prior to the formation of the TAB will reappear following its privatisation. The opposition is not so confident that other activities, such as starting price (SP) bookmaking interests taking out equity interest in TABcorp, will not reappear. At this time the opposition is not reassured that the organisation that will emerge will be strong enough to provide the same degree of security to the racing industry that has existed under the TAB for many years.

The TAB currently has two equity interests: the state government and the racing industry. As a result of privatisation of the TAB there will be two additional equity interests: the federal government's interest, through its revenue share, and equity stakeholders. In a diminishing market the TAB will have four equity interests: the state government, the racing industry, the equity holders and the commonwealth government. I do not believe that TABcorp will be able to operate in a way that will enhance and strengthen the racing industry.

It is the opposition's fear that the legislation, compounded by the fact that the government has seen fit to remove the equity interest of the TAB in Crown Casino Ltd, will diminish the capacity of the successor to the TAB to be sufficiently financially strong and to raise sufficient equity to be in a position to strengthen and enhance the standing and future prospects of the racing industry. For those reasons the opposition opposes the bill.

Hon. B. A. E. SKEGGS (Templestowe) - The bill is an important milestone in the development of the racing, gaming and betting industries in this state because it brings about the establishment of a new Victorian Casino and Gaming Authority in which will be vested all responsibility for the control of betting, wagering, gaming and racing operations. The authority's control will be complemented

through the establishment of TABcorp and through its own regulatory powers.

The legislation is designed to give the new Victorian Casino and Gaming Authority sufficient powers to ensure probity is properly established in all aspects of gaming, wagering, betting and racing in Victoria. The new authority will be given all powers necessary to bring about the necessary strict surveillance of the industry.

The racing industry is a vast employer, and well in excess of 100 000 people are involved in it at any time. The new casino will also undoubtedly be a large employer and a great generator of revenue for the state.

Gaming machines have already expanded jobs and profitability for both clubs and hotels in Victoria, many of which were in a parlous position prior to their introduction and prior to the introduction of Pubtab in hotels.

The history of the establishment of the TAB is interesting. I was involved in the process when the introduction of a totalisator agency board in New Zealand was investigated. The then President of the Metropolitan and Country Trotting Association, the late Sir Acland Lord, went to New Zealand and was impressed with the operations of the newly created TAB. He recommended that the concept be introduced in Victoria and consulted with Sir Henry Bolte, Sir Arthur Rylah and the late Sir Chester Manifold, who was then the Chairman of the Victoria Racing Club. Following those discussions Sir Chester went to New Zealand and returned firmly convinced that the TAB was the way to go to ensure that Victoria could effectively counter starting-price bookmaking and diverting that SP bookmaking revenue to the benefit of the racing industry and the state.

The late Sir Henry Bolte and Sir Arthur Rylah embraced the concept and the TAB came into operation in 1961. We all know of its great success. It has been a tremendous money-spinner for all the racing codes - thoroughbred, harness and greyhound - which have thrived as a result of the ability of the TAB not only to control the investment of offcourse betting but also to properly regulate the vast wagering operations.

We now have an exciting new concept in the creation of the Victorian Casino and Gaming Authority as the single regulatory power and also the float of TABcorp Holdings Ltd. The privatisation

of betting and gaming operations through TABcorp is a brave new venture which the racing industries have now come to accept. It will open new horizons and provide greater flexibility in the way racing is conducted in Victoria. It will attract new wagering to the industry because of greater freedom to promote and advertise. TABcorp will be able to operate gaming machines and other forms of wagering interstate and overseas.

Sufficient capital will be injected into TA&corp to enable it to invest in the equipment and machinery necessary to deliver the new services and to compete effectively against other large gaming enterprises in Australia and overseas. The dissolution of the former TAB, although sad, is a milestone in the history of the Victorian racing industry. The board will go from a government-operated enterprise to a private enterprise that will open up new horizons because of its new flexibility. The additional capital that will flow into its operation will make it possible for TABcorp to do much more. The racing codes and the industry generally will benefit because they will be shareholders in TABcorp and will obviously derive great advantage from that.

There was a perceived need for capital to develop the gaming machine operations. The TAB was experiencing difficulties in competing with Tattersall's, because it did not have the capital to compete effectively. Capital will become available through the establishment of TABcorp and the private float.

The bill consolidates regulatory matters for wagering, gaming and other betting. New ventures will be created through the establishment of TA&corp. The float of TA&corp will provide an immediate \$600 million to the government by way of compensation for the government's withdrawal from the operations of the TAB. That will be an important revenue relief to the state, which was ravaged over the past decade by the economic policies of the Labor government. At the same time money will flow back to the racing industry, making it possible for the people involved to inject funds back into their industry.

The government will retain the powers necessary to exercise that continual scrutiny takes place to ensure the probity of all officers and other people who come within the ambit of the Victorian Casino and Gaming Authority and to ensure that public interest is always observed.

There will be a reduction in the tax rate from 6.5 per cent on wagering turnover, including fractions, to 4.5 per cent, which will be seen by many punters to be a good thing. Although it represents a reduction in revenue flowing back to the state, the government will be compensated by the immediate \$600 million that will become available as a result of the float. The revenue originally anticipated by the Bolte government for the Hospitals and Charities Fund will continue.

The Chairman of the Victorian Casino Control Authority will become the Chairman of the new Victorian Casino and Gaming Authority. It is sensible to consolidate the different bodies into one body under one chairman. He will have the job of ensuring probity and will be responsible for the appointment of officers who can effectively carry out surveillance and the investigations that will become necessary from time to time when dealing with vast money enterprises like TA&orp with the racing, casino and gaming machine industries. It is important to have the right man at the top taking that responsibility.

The chairman will also be responsible for the appointment of a Director of Gaming and Betting, who will have the job of supervising the role of the inspectors who will be appointed to carry out investigations and interviews.

The licensed race club will have the ability to operate an oncourse totalisator. I am pleased that is so because there are some smaller race clubs that will want to do just that from time to time. Some will want to continue to operate their own oncourse totalisators, although it will be necessary to obtain approval from the minister for that. I am pleased that some of the smaller race clubs will not be disadvantaged if they wish to conduct their own oncourse totalisators. Subject to them having the necessary funding and equipment to back up the operation, they will be able to continue to operate an oncourse tote.

Many of the operations in the Racing Act have now been transferred to this particular legislation and much of the obsolete sections of the Racing Act and other acts will now come together under this act. It is a great advantage to have all those provisions consolidated into one act. At present Victoria has a range of acts with provisions on betting and the operation of gaming and race clubs. In accordance with modern parliamentary practice, the government is trying very hard to ensure that all those provisions are brought together into one

simple, easy-to-follow act. I am sure the racing fraternity will applaud that.

Part 15 of the legislation amends the Racing Act by removing redundant provisions and regulating the conduct of racing, except in relation to matters of probity. Part 16 amends the Gaming Machine Control Act, part 17 the Club Keno Act and part 18 deals with the amendment of other acts. The deregulation of the racing industry will be welcomed by each of the codes. It will give them greater flexibility with regard to the number of race days they may hold. Until now those dates have been very carefully regulated by the government and Parliament. However, now the racing controlling bodies will be able to fix the dates according to their own strategies. In the case of thoroughbred racing, it will be the Victoria Racing Club, in the case of harness racing, Harness Racing Victoria and, in the case of greyhound racing, the Greyhound Racing Control Board. Those controlling bodies will know exactly how many dates should be allotted to certain tracks and the best days for achieving the best results for racing.

What is an important provision to hand over to the racing codes; the flexibility it provides will be very useful. It is true to say that in past years, because of constrictions on the number of racing dates, some country race clubs have been forced to hold races on days that do not necessarily produce the best results for those clubs. Under this system the controlling bodies of the racing codes will be able to be much more flexible and therefore meet the needs and requests of country racing clubs. That will be a good thing.

From discussions I have had with Victorian country harness racing clubs I have found that they will welcome this change. It will make possible a whole new deal in respect of the operations of country harness racing clubs, and I am sure the same will apply to other codes. It means that in future much of the racecourse development funding, which was formerly also a government responsibility, will be transferred to the controlling bodies of racing.

Those funds will be transferred into the care of the controlling authorities of the racing codes which will now have discretion to ensure that the necessary funds for racecourse development and other infrastructure are made available on a needs priority and merit basis.

Part 13 of the bill establishes the mechanisms necessary for the transfer of all the staff of the

present Totalizator Agency Board to TABcorp Holdings Ltd. I believe those arrangements are well in hand. All property, rights and liabilities of the TAB will also be transferred to TABcorp Holdings, and I believe those arrangements are also well in hand.

Part 4 also provides for the public float of TABcorp. It is important to ensure that certain restrictions are applied in respect of the shareholdings in TABcorp in the public interest. I was interested to observe that foreign investment in TABcorp Holdings Ltd will be limited, and it is important to ensure that those limitations exist. The government wants TABcorp Holdings to be as much Australian owned as possible. Club members will have individual rights to take up to 5 per cent of the shares. That means people who have put their lives into the racing industries will have the opportunity to take up shares and have an ongoing interest in the operations of TABcorp. That will be attractive to many race club members because they want to be part of the action to ensure that TABcorp succeeds.

Part 4 of the bill places a limit on the total number of voting shares that may be held by non-residents of Australia; it is listed at 40 per cent of the voting shares on issue. Each individual investor who is an Australian resident is limited to 5 per cent of the voting shares, and each individual investor who is a non-resident of Australia is limited to 2.5 per cent of the voting shares. Each investor holding more than 2.5 per cent of the voting shares will be subject to a probity review. That is important because Victoria does not want to see Mafia-type operations getting into TABcorp.

If investors are subjected to tight security and intensive probity checks by the Victorian Casino and Gaming Authority and its director and inspectors, TABcorp will never fall into foreign hands or the hands of the criminal elements who attempt to penetrate organisations with multibillion dollar operations such as TABcorp. The probity and stringent security checks surrounding the establishment of TABcorp will ensure that those types of operations will not occur. Victoria must have confidence in the future of TABcorp.

Although many people choose to be cynical about the operation, by and large, particularly after the initial discussions with the racing industries, those industries will have confidence in the future. It is essential that they do so because the whole racing industry is at stake. Therefore, it is important that TABcorp has their support - and their investment

support - and their cooperation to advance the interests of racing in Victoria. I am sure that will happen.

I note that the gaming operations may be expanded throughout Australia and overseas. TABcorp Holdings will have the opportunity of earning greater income, not just for investors but for the racing industry. The dynamic financial growth resulting from the privatisation of TABcorp will assist Australia.

I commend the bill to both the racing industry and the people of Victoria.

Hon. B. W. MIER (Waverley) - This is a sad day for Victoria. The bill will result in the destruction of one of the state's greatest enterprises, the Totalizator Agency Board (TAB). The history of the TAB was outlined by Mr White and, briefly, by Mr Skeggs. Prior to the establishment of the TAB, SP betting was rife.

Hon. Bill Forwood - Were you an SP bookie?

Hon. B. W. MIER - No, I was not; but I frequently bet with SP bookmakers. Every hotel in the state had at least one SP bookie, and many had a number of them. People of my vintage can remember those days vividly.

Prior to the establishment of the TAB the racing industry, the Hospitals and Charities Commission and the community lost a lot of money because of offcourse betting. No taxes were levied on the transactions that took place, which were a cost to the racing industry. It is to the credit of the late Sir Henry Bolte that his government established the TAB. He realised he would have to do away with SP betting so he established a special police task force headed by Mick Miller, who was later to become a Chief Commissioner of Police.

SP betting was prevalent, not just in hotels, but in sporting clubs and anywhere else where people gathered. Mick Miller was a very honest, sincere and devoted officer of the Victoria Police Force. He and his officers cleaned up the offcourse betting industry. As a result the Totalizator Agency Board became the only place where people interested in wagering on racing either in Victoria or interstate could place bets.

The TAB has had a remarkable history. It provides facilities that are used by millions of Victorians. Every Saturday in particular hundreds of thousands

of bets are placed in TAB shops throughout Victoria. The TAB has been a tremendous source of revenue for the Victorian government and the Hospitals and Charities Commission.

The former Labor government realised that unless it protected the TAB while allowing the introduction of gaming machines the revenue stream going to the racing industry and the Hospitals and Charities Fund would be reduced. The then government realised that gaming machines would affect the turnover of the TAB. It therefore ensured it had an interest in gaming machines, which in turn guaranteed revenue for the Victorian racing industry.

The racing industry employs some 80 000 people. The privatisation of the TAB will mean that those people have no guarantee of future employment. Only the profits of the shareholders in the privatised entity are guaranteed. The racing industry and the 80 000 people employed in it are being given no guarantees at all.

Country racing clubs will be devastated. Mr White referred to what is happening in rural Victoria. Mr President, although we are debating an extremely important bill that will affect country Victoria, not one member of the National Party is in the house. Rural Victoria has had its schools closed, its hospitals closed and its public transport closed.

The PRESIDENT-Order! Mr Mier must relate his remarks to the bill.

**Hon. B. W. MIER** - I am relating my remarks to the effects of the bill. The racing industry, one of the few remaining sources of employment in rural Victoria, will disappear. Country racing will have no guaranteed income. Mr Skeggs can say that racing clubs will continue to have the right to operate their own totalisators - t h a t will be very handy - b u t no-one will attend those courses because the clubs will be forced to close! Country racing will no longer exist.

The bill represents another **attack** on rural Victoria. Although it will have a dramatic impact on the activities, employment and welfare of people living in rural Victoria, there is not one National Party member in the house. National Party members are not here because they understand what is happening to this state-the mob is taking over. Gambling in this state is being taken over by the mob, and that is being fostered by the minister in this house and the current government.

As a result of the bill the income of the Hospitals and Charities Fund will decline. The already declining health budget will decline further and country racetracks will be closed. The performance of the racing industry in metropolitan Melbourne will be poorer; its income will be dramatically affected, thus causing a decline in the industry. It will affect employment in the industry, the number of breeders, the number of starters and the availability of horses. That will occur over a period of years.

The mob will get fatter. We know who the mob is. It has taken over the casino and it will take over the Totalizator Agency Board. All gambling in this state will be in the hands and ownership of a privileged few, who will gain unbelievable profits at the expense of Victorian punters, the health budget and the racing industry.

For that reason I strongly oppose the bill. This is an extremely dark day for Victoria because the bill will result in the destruction of one of the most successful operations established in this state in the past 50 years.

**Hon. Bill Forwood** - Take out some shares in it.

**Hon. B. W. MIER** - I wouldn't buy shares in it. I prefer to invest in shares in the Commonwealth Bank and the like instead of investing in an underhanded, shady operation such as this will become.

**Hon. D. A. NARDELLA** (Melbourne North) - I also oppose the bill.

**Hon. Bill Forwood** - You are tempting me to get up and support it.

**Hon. D. A. NARDELLA** - That is up to you, Mr Forwood.

I oppose the selling off of the Totalizator Agency Board (TAB) to private interests because it is an asset of this state that is working extremely well.

**Hon. Bill Forwood** - What do you know about it?

**Hon. D. A. NARDELLA** - I know quite a bit about it. It is unfortunate that the government is continually selling off companies, corporations and state-owned enterprises that actually provide an income and revenue stream for the government, but more importantly for the people of Victoria. These

companies are being seen as milking cows by the government, which is pushing its right-wing ideology, and by the shareholders out there who should have no interest whatsoever in those public corporations.

In effect, the government is selling off the state's crown jewels. At present every honourable member in this Parliament, including the National Party members who are not present, and every constituent in Victoria owns the TAB. We already own it. It is unacceptable for government members like Mr Forwood to suggest to Mr Mier that he should buy some shares in it; he already owns shares in the TAB because it is a public asset. All Victorians own shares in the TAB because it is their company.

The government is now saying that it will sell the TAB; it will take away the revenue stream that currently benefits the Victorian community. It intends to sell it to its mates and place Victoria's accounting books in a much worse position. The sale of the TAB will affect the revenue stream not only for this year and next year but forever. The \$200 million a year that the government would normally receive will no longer be available because that public asset will have been sold. That is my major concern.

The same will occur when the government sells off other public corporations: the budget situation will not become any better. The income from such assets is necessary for the future. The level of taxes and charges, which is currently the highest in mainland Australia, will become even worse as a result of such sales. That is a major concern of the opposition. It is not known how much the sale of the TAB will gain for the people of Victoria. There have been estimates of between \$600 million and \$1 billion, but no-one will know until it is floated.

The guiding light for these types of experiments has been England. When public companies there have been sold, they have been sold for a song. There was example after example of the Thatcher government selling off public utilities and, within a short period, the value of those companies rose markedly.

The corporations that are currently owned by Victorians will be sold off for a song, way below their true value, and the only beneficiaries will be the private investors instead of the people of Victoria.

The government does not look after Victorians. It will say, 'We do not know exactly how much we

will get but it will probably be \$600 million. We will pay off some of the debt that has been incurred through giving voluntary departure packages'. That was in accordance with the government's ideological position of sacking people from the public service. That is where the money will go: it will pay off some of the debt the government incurred through sacking people and getting rid of people over the age of 55 years from the public service.

The legislation will not increase productivity in the state; it will not increase investment or encourage growth within Australia; it will not improve the unemployment rate in Victoria, which I remind honourable members now stands at a disgraceful 11.2 per cent.

The legislation is all about an ideological New Right position of selling the family silver for whatever price the government can get for its mates, and it is a situation that I will continue to oppose.

A matter exposed in the other place in which the opposition has no confidence is the government's intention on who will pick up and finally obtain control of these important companies, and the continuing checks that the government will have to undertake with this type of venture. The government has let the people of Victoria down. The government wants to sell off the TAB.

Hon. Bill Forwood interjected.

Hon. D. A. NARDELLA - Yes, I have read the bill, Mr Forwood!

Hon. Bill Forwood - What is the single largest share that a shareholder can have?

Hon. D. R. White - It is 2.5 per cent.

Hon. D. A. NARDELLA - Thank you, Mr White. I was just about to refer to the clause.

An Honourable Member - Unfortunately the mob has a big family!

Hon. D. A. NARDELLA - Even under public ownership of the TAB the government has given Chung Corporation Ltd a contract in Vanuatu. The people of Victoria were not told about it and do not know that the managing director of that company, Mr Christophe Chung, has been convicted of two offences and is therefore a criminal. In 1982

# GAMING AND BETTING BILL

Thursday, 26 May 1994

COUNCIL

907

Mr Chung was convicted of pimping: of organising two prostitutes - -

**An Honourable Member** - Jocelyn and Susan!

**Hon. D. R. White** - He paid for their air fares but he didn't make any profit - they didn't work hard enough!

**Hon. D. A. NARDELLA** - I will not comment on that. In 1991 Mr Chung was involved in an export violation to do with food, so it is clear he cannot be trusted. I do not believe that one can put convicted criminals into positions of responsibility to run an organisation that in a historical sense is absolutely open to corruption and open to Mafia influence. Victoria would not have gone down that path, but the government has allowed the situation to occur so it is not a position that the opposition supports nor will defend. The TAB was not set up following a royal commission in the first instance. The TAB was set up specifically because of government concerns that criminals would infiltrate the system. But the government holds none of those concerns; it has not demonstrated a willingness to go down that path, and I have no confidence in the government guaranteeing to keep criminals out of the TA&orp.

So far as the racing industry is concerned, at Sunbury a number of concerned punters put together a petition that has been presented to the Legislative Assembly. The signing took place in front of a TAB office in Sunbury; punters were asked to sign the petition to save their TAB and not have it privatised. I can tell honourable members that the petition was a great success. Only one person in a 2-hour stretch on that Saturday morning did not agree to sign it, and he was a Liberal Party member - I know that to be a fact. Everybody who signed the petition was concerned about privatisation of the TAB and who was going to control its operations, and that is a direct expression from punters on the issue. The petition was supported by only one TAB in the township of Sunbury. What else happened when these concerned punters were putting the petition together? The employees came out and said, 'Where do we sign?' because they are concerned about their position as well.

When a government privatises a corporation, a company or companies takes over an organisation and wants to recoup its costs and investment as quickly as possible. One of the quickest ways to do that is to get rid of the most expensive items on one's balance sheet, and in the case of this labour-intensive

industry the best way is to get rid of some of the workers. I do not see any hesitation by the new company, when the TAB is privatised, going into the small shops in Sunbury and saying, 'Look, you have five employees; some are part-time and some full-time. We have got to get rid of a few so that we can increase our profits and returns to the shareholders'. That is what will happen, and that is why these employees in the Sunbury office came out and signed the petition that day, so I hold deep concerns.

Opposition members have expressed concern that in the long term this will not assist the running of the state. The legislation will place in jeopardy the good work that the TAB has put in place, the good returns it has put into consolidated revenue and the programs and services that have spun off from that revenue. For those reasons and for the reasons outlined by my colleagues on the opposition side of the house I oppose the bill.

**The PRESIDENT** - Order! I am of the opinion that the second reading of this bill is required to be passed by an absolute majority.

**House divided on motion:**

*Ayes, 25*

|               |                               |
|---------------|-------------------------------|
| Asher, Ms     | Forwood, Mr ( <i>Teller</i> ) |
| Ashman, Mr    | Guest, Mr                     |
| Atkinson, Mr  | Hall, Mr                      |
| Baxter, Mr    | Hallam, Mr                    |
| Best, Mr      | Hartigan, Mr                  |
| Bishop, Mr    | Knowles, Mr                   |
| Bowden, Mr    | Skeggs, Mr                    |
| Brideson, Mr  | Smith, Mr                     |
| Cox, Mr       | Stoney, Mr                    |
| Craige, Mr    | Storey, Mr                    |
| Davis, Mr     | Strong, Mr ( <i>Teller</i> )  |
| de Fegely, Mr | Wilding, Mrs                  |
| Evans, Mr     |                               |

*Noes, 12*

|                                  |                               |
|----------------------------------|-------------------------------|
| Davidson, Mr                     | Mier, Mr                      |
| Gould, Miss                      | Nardella, Mr                  |
| Henshaw, Mr                      | Power, Mr                     |
| Hogg, Mrs                        | Pullen, Mr                    |
| Ives, Mr                         | Walpole, Mr ( <i>Teller</i> ) |
| Kokocinski, Ms ( <i>Teller</i> ) | White, Mr                     |

*Pairs*

|             |                 |
|-------------|-----------------|
| Birrell, Mr | Theophanous, Mr |
| Varty, Mr   | McLean, Mrs     |

Motion agreed to by absolute majority.

Read second time.

*Third reading*

Hon. HADDON STOREY (Minister for Gaming) - By leave, I move:

That this bill be now read a third time.

I shall respond to the comments made during the second-reading debate. The opposition has ideological objections to the privatisation of anything - and Mr Nardella is nodding his head. He referred to milking cows and right-wing ideology; that summed up his attitude. Once the racing industry is subject to privatisation, its income will increase, and the government's revenue from gaming will increase. The income from wagering will continue, but with a different rate of tax. Under the new privatised body, gaming activities will increase, as will the government's revenue.

Mr White mentioned the government's handling of the Totalisator Agency Board (TAB) and referred to its pulling out of the casino consortium. The TAB board made the decision to pull out of the consortium; that decision cannot be attributed to the activities of one man.

Mr White also referred to the privatisation of the TAB which, he said, would mean it would not be able to compete with the casino. The positions of the Totalisator Agency Board, Tattersall's and the casino will be as they were before the bill was introduced. The TAB and Tattersall's will have access to gaming machines, and casino operators will be involved in the casino environment. The relationship among the three will remain as it was before the bill was introduced.

Reference was made to probity. The bill will allow the new authority to apply the same probity standards to both gaming machines and the casino. I agree with Mr White: they ought to be applied. That will become the responsibility of the new authority in cooperation with the police. I know nothing about Mr Chung's situation, but the arrangement between Mr Chung and the Totalisator Agency Board was first entered into by the former government. Any probity checks should have been done at that time. If they were not done satisfactorily at the time, that was the responsibility of the former administration, not this administration. In any event, I understand the Minister for Sport, Recreation and Racing in the other place has terminated the arrangement.

I thank honourable members for their contribution.

The PRESIDENT - Order! So that I may be satisfied that an absolute majority exists, I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Passed remaining stages.

**WATER (FURTHER AMENDMENT) BILL**

*Second reading*

Debate resumed on 24 May; motion of Hon. M. A. BIRRELL (Minister for Conservation and Environment)

Hon. B. T. PULLEN (Melbourne) - This bill deals with changes in the provision and management of water in the rural area, and particularly with changes to the Rural Water Corporation. Basically it seeks to enable the five regional boards that constitute the Rural Water Corporation - namely, Gippsland, Goulbourn Murray, the Southern Region, Sunraysia and Wimmera - to be changed to authorities. At the moment they derive their power only by delegation.

This bill will enable them to be separate authorities, to develop their own business plans, act independently, borrow moneys, and in many ways operate as separate business enterprises as part of the Rural Water Corporation.

The minister's second-reading speech makes it clear that this will not just fulfil the recommendations of the final report of the Future management review of the Rural Water Commission but that it basically stems from the implementation of *Reforming Victoria's Water Industry: A Competitive Future*, a document put out by the Office of State Owned Enterprises and the Department of the Treasury in October 1993.

In line with the views expressed in that document, the second-reading speech indicates that three areas will constitute part of the proposed changes:

## WATER (FURTHER AMENDMENT) BILL

Thursday, 26 May 1994

COUNCIL

909

the Rural Water Corporation's five regional management boards to be transformed into separate authorities under the Water Act on 1 July 1994;

responsibility for statewide policy, **water** resource assessment and regulatory activities will transfer from the Rural Water Corporation to the Minister for Natural Resources; and

the amalgamation **of** non-metropolitan urban authorities.

When one views all that together, one sees a philosophy at work which really attempts to transform the way water is handled in this state. Although there are some efficiencies to be gained, on balance it has many dangers. Water is not just a commodity; it is extremely important to the well-being of humans and of all life on this planet.

The history of the use of water in Australia and Victoria is thwarted with many mistakes. It is an extremely dry continent and does not have the robust, well-drained soils that exist in some other parts of the world. Our natural systems are extremely vulnerable to changes in water quantities and the way that is handled.

This is particularly clear when one looks at the history of the use of water for agriculture. It seems to be an extremely slow lesson that people not just in Australia but around the world have learned about the problems that result from changing the amount of water used in particular areas. Archaeologists now say that the decline of the Mesopotamian empire, the area which is now modern Persia, in approximately 1500 BC is almost directly related to the build up of salt in the waters between the rivers Tigris and Euphrates. They say there is clear evidence that over a period of about 200 years, what were originally fertile fields in that area were progressively diminished.

The problems resulted in continual change. People had to change from deep-rooting crops to shallower crops as the water table rose, and under the influence of salination, crops failed and they had to move their agriculture. In the end, the cities that relied on irrigated agriculture in that area were forced to move; their populations massively migrated. During that period of 200 to 300 years - which seems a long period to us but which is quite a short period when compared with the time human beings have been on this planet - there was effective devastation and people lost their ability to produce food in that area.

**Hon. R. S. Ives** - Are you suggesting we are going down the very same path?

**Hon. B. T. PULLEN** - I do not have to suggest it because the evidence is all too clear. I will quote from page 196 of the 1991 state of the environment report entitled *Agriculture and Victoria's Environment*:

Around Kerang, watertables were 6-10 metres below the surface in the 1880s but in parts **of** the region they rose to 2 metres **by** 1902.

There were extremely early warnings of irrigation problems:

... (Most of the region's watertables followed suit in the 1950s-1960s). Near Swan Hill, salt-killed vine and citrus plantings in the 1920s within 10 years of the commencement of irrigation. At Tongala, a major contraction of horticulture took place in the 1920s and 1930s because of waterlogging and salinity.

It is estimated now that some 290 000 hectares of the state are affected to varying degrees by human-induced saline seepages and salt scalds. Between 134 000 and 140 000 hectares of that is in irrigated regions. Current losses attributed to irrigation-related salinity are estimated to be in the vicinity of \$160 million a year and are likely to continue at \$130 million a year, even after implementation of salinity management plans.

We have been slow, but fortunately we are beginning to learn. It is extremely encouraging to meet with people on the land. I had the pleasure of attending the recent Landcare conference at Cowes. Approximately 300 people attended, the vast majority of whom were active farmers. Those people met to discuss a range of conservation and landcare issues. Salinity was one of the key issues, as was vegetation and the impact on the land of inappropriate practices.

Everybody concerned with the Landcare movement is **aware** of the need to get back trees and vegetation to damaged areas so that the amount of water that enters the soil and therefore the salinity can be reduced. Often the salinity problems do not appear on the same farmer's land; they appear on somebody else's property to the detriment of that person. What is clear from people becoming involved in Landcare and being concerned about the sustainable future of agriculture is that there must be an integrated approach.

## WATER (FURTHER AMENDMENT) BILL

910

COUNCIL

Thursday, 26 May 1994

One cannot just concentrate on the commercial aspects and ignore the environmental aspects if there is to be sustainable use of the state's resources for farm and production purposes. People who set their faces against that fact are not learning from our history and are doing a great disservice to their farming colleagues and even future family members who might want to continue the farming tradition.

I have a problem with the way the bill is drafted, although the reorganisation of the water commission is reasonable because it will be able to more flexibly provide services to those farmers that rely on it for irrigation: the document to which I referred earlier emphasises the use of water as a commodity and the management and use of it as if it were a tradable good. The implication is that long-term interests could be separated rather than integrated, to the detriment of farming communities. In effect, the new authorities are being told that environmental management is not their business, that they will not know whether there is a conscious trade-off in their operations and that they may not attempt to obtain maximum value from the water in an economical and environmental sense. They must recognise sometimes the need to hold back on watering land.

Beyond farm management is the wider consideration of the need to maintain the balance of environmental flows to preserve wildlife and natural ecosystems. Unless water managers who are obliged to regard it primarily as a business make a conscious effort to incorporate these values into their operations it will not happen for it is beyond their brief and they will not be rewarded for it. The bill makes it clear that the responsibility will shift to the Department of Conservation and Natural Resources. It is recognised in the second-reading speech and in the document from which I quoted earlier that it is inappropriate for the new business authorities to manage the external factors such as environmental and health impacts on other people. But the shift is not a satisfactory answer. For a start, it separates the income-gathering power from the responsibility. There would need to be a transfer. The money that is paid to the water authority as charges should relate to the services people receive from the authority. The Department of Conservation and Natural Resources should provide a separate stream of funding for the necessary environmental support.

It is not just a matter of buying water and making sure money is provided for the flows; there must be extension services and people in the field to give appropriate advice and information on the decisions that have to be made. That is not happening now, so

it is hardly likely to happen in the future. The people I met, toured and dined with during the Landcare conference - -

**Hon. Bill Forwood** - And tread water with!

**Hon. B. T. PULLEN** - You would not get away with a comment like that in the country. People are serious about this issue. People who have been involved in the Landcare movement respect the farmers involved because they put in a lot of effort. They came from all over Victoria. It was well organised but it cost money: they had to pay for their accommodation and they had to leave their many other responsibilities to attend meetings. However, they were willing to do it because they know these issues are very serious.

The point that was continually made to me in conversation was that they are not getting service from the conservation and agriculture departments. Many made the point that you can never locate the departmental officer you want to talk to. People whom farmers have trusted for years - it is not always easy for a country person to accept that a person with a degree might have local knowledge - have disappeared because they have taken a package and have not been replaced. The officers that farmers were able to ring or visit are no longer there.

As I have said before, when I attend these conferences I am mingling not just with Labor voters but with good people - -

**Hon. Bill Forwood** - You mean there's a difference?

**Hon. B. T. PULLEN** - No. I think the minister understands that it was not a self-serving conference. I was there to listen to people who were concerned about those issues. They were complaining to me, knowing me to be a Labor member, about the lack of resources under this government. The point is that by these measures the government is shifting important long-term responsibilities away from government departments and operating them without an integrated approach that is mainly designed to raise money without providing a guarantee that resources will be left in the responsible department and to put services on the ground. People will be expected to operate their farms effectively and take on the wider task of considering the future and the environment. It is a learning exercise, and a lot of people are involved.

This government is driven by Treasury. The document was released not by the Minister for Natural Resources but by the Office of State Owned Enterprises. I was briefed not by officers of the departments of conservation and natural resources or agriculture or by people who have been involved over the years; I was briefed by Treasury officials as an economic exercise and the relevant papers were based on economics, efficiency and effectiveness. The idea is that competition will somehow produce brilliant results in the operation of these authorities. I think it could bring about the opposite. I do not doubt that competition may bring about minor improvements in the whole scheme of things. Clearly when people are set against others they may try harder, and that provides some efficiencies. The downside is that they will omit many of the important tasks. If they are efficient and generate money in return for a particular job, a larger job will then be negotiated. But there will be no incentive unless it shows on their balance books as efficiency. Core services will be cut back and others will have to check whether the task is being undertaken in the most efficient way; they will not do it.

The philosophy is one of fragmentation. Yet we know that it is not fragmentation but integration that produces the best answers and a stable environment and agricultural future. This philosophy is sweeping the National Party to one side. I do not see any honourable member expressing support for the views held by many country people. The Treasury agenda has dominated the government. The agenda is more ideological than the Tasman Institute, the right-wing think tank, which is saying, 'Hold back; there are economies of scale that you have broken down'. Even a traditional source of support, a right-wing think tank, says the government is going too far because it is fragmenting organisations that have an extremely good track record. They will not be more efficient if they are made smaller. The other side of the argument is the amalgamation of non-metropolitan authorities, which will break the links country people have even further. We are dealing today with a small part of the whole agenda. We do not oppose the small part, but it is important to recognise that the philosophy that is embodied in it has been neglected.

Even the report *Future Management Review*, the so-called McDonald report, points to the need to attend to this. On page 97 it deals with environmental flows and states:

In the model, no allowance has been made for the cost of environmental flows or for the revenue from such flows, apart from the flows made to Kerang Lakes. If as part of the work being undertaken with respect to full specification of property rights of water, allocations are made to the environment, then the costs associated with supply of such flows should be allocated accordingly. Because the benefits of environmental flows are generally captured by the wider community, the costs associated with the provision of such flows from existing developments should be borne by the wider community. The most cost-effective mechanism for achieving this is likely to be via a direct payment made by government.

This assumes that the Department of Conservation and Natural Resources and the Department of Agriculture will be adequately funded out of general revenue to be able to do this work with environmental flows, but we do not have any evidence of that. As I said once before, the offices of the Department of Conservation and Natural Resources are like ghost forms - where there were people before there are now empty desks. The same is true when one visits regional offices. The resources are not there and services are not being delivered. After a while demand drops off because people find that responses are slow. If you telephone a regional office to contact someone for advice, and you do not get that advice, you will not bother again and after a while the government can say that demand is being met and that it is matched by resources so everything is all right. Basically it has reduced the service and when people get the message they will not bother to telephone. It is a downhill run if there is no commitment by the government to support the people on farms and in country areas with an integrated approach.

The impact of the misuse of water is wide. I refer to the book *Water in Australia*, which deals with the issue of managing economic, environmental and community reform. It was published in 1993. One section of the work examines water environments and describes the kind of degradation that streams can suffer, which include the removal of riverine vegetation; bank and bed erosion; siltation and turbidity; salination; nutrient loading and eutrophication; river training and diversion and insecticide and herbicide pollution. These are the forms of degradation that can result from inappropriate practices. Many people are becoming increasingly aware of degradation and are looking to sustainable agriculture and ways of changing their practices, and they deserve government input and

appropriate extension services to assist them in this task.

Their concern is not matched by government assistance, because the total separation of the business functions of water authorities and the neglect of the environmental aspects will mean that in the long run the fragmentation implied by this overall scenario will do considerable damage to the management of rural Victoria. I will have more to say about fragmentation in debate on another bill, but in relation to this limited bill I indicate that the opposition supports the measure.

The ability to transfer water entitlements, which has the potential to be a good thing, should, however, be treated with caution. No-one would deny the basic logic that if water by right is available to one piece of land and is not being used, or is being used inappropriately, those rights should be transferred to someone else who can make use of them in both an economic and environmentally appropriate way; the provision frees up the process and provides for a more efficient allocation of water. People are jealous of the water rights that run with the land in relation to the quantity of irrigated water they produce. This provision increases flexibility; it is possible we will see more as water auctions shift water around.

The down side is that these transfer mechanisms may run against the need to maintain environmental functions and to conserve water because people will be able to obtain an economic return for transferring the water that they would obtain on their own land. They may have decided for various reasons that they do not need the amount of water to which they have a right and move to a different method of irrigating to use less water. Perhaps they may use a more effective drip system that more effectively directs the water to particular crops, trees or plants, or a laser grading technique that prevents excessive water run-off by grading slopes to a higher degree of accuracy than before. Or perhaps in the common interest they may not add as much water to the water table in an endeavour to redress the rise in salination - part of the salination plan is to educate and encourage people to take an overall approach of this kind. If water becomes a commodity to be transferred it may be more difficult to conserve it. There should be caution about treating water as a good that can be traded and moved around without an understanding of the long-term impact.

Any obvious improvements in efficiency from freeing up the system must be balanced with the need to ensure that the whole picture is kept in

mind. We must have an integrated approach. The separation of the business interests from the environmental responsibilities could send different messages and destroy the integrated approach and the ability to cooperate that is so important. It is a backward step and a dangerous course driven by economic rationalism and by the ideological belief that competition is the salvation of all management problems.

The introduction of competition can cause people to lose sight of an organisation's specific, income-earning tasks and external and public good tasks. In fact one can lose sight of the whole object of the exercise. One cannot simply set up a competitive mechanism and believe all will be fine. In this case I do not believe all will be fine. We will pay penalties for this because of the overall costs of fixing up the problems that will be created.

Considerable costs have already been incurred because of salinity. We are spending hundreds of millions of dollars trying to fix the problem and we recognise that it will take a long time. The results of past excesses are now being fixed up and will continue to be in the future, but at considerable cost to everyone. We do not want a micro-economic reform measure - which this is basically trying to be - that will be negative in the macro-economic picture of providing benefits and managing agriculture properly. These are serious issues that have not been addressed by the government in framing the bill. Tillis has been an economic exercise and environmental aspects have been added on. In that respect the bill is unsatisfactory.

I shall end with the point I began with: this small measure has resulted from work done by Mr McDonald that involved a consultative approach. After talking to people my understanding is that the bill is not viewed with the same concern as other foreshadowed changes concerning the split-up of Melbourne Water and the amalgamation of rural water authorities.

The opposition is not opposed to the measure, but I put the government on notice that we believe the water industry is not being handled well. There is much more at stake than simply turning it into a competitive industry. The opposition will monitor the situation with considerable concern.

Hon. R. S. IVES (Eumemmerring)-1  
Widerstand the bill addresses water management problems in rural areas. It reorganises the Rural Water Corporation and deals with a small area of

the government's proposed rural water reform: regional boards are transformed into regional authorities. Therefore it is a small step, and although we disagree with many aspects of the government's broader strategy for the water industry we have no intention of opposing the bill.

On the understanding that it would otherwise be a small contribution to the debate, I seek leave to speak on some of the broader issues in the government strategy and to give a warning to the government, based on previous experience, that the line it is adopting at the moment will not necessarily work.

The DEPUTY PRESIDENT (Hon. D. M. Evans) - Order! Mr Ives does not have to seek leave to address a matter that is inherent in the bill. However, under standing orders he cannot discuss issues that are not directly relevant to the bill unless it is a passing reference to make a point that is relevant.

Hon. R. S. IVES - I was not seeking leave in a formal sense.

*Honourable members interjecting.*

The DEPUTY PRESIDENT - Order! I appreciate the assistance I am getting from the house. There are other opportunities to express points of view that may be relevant to the broader issues involved but not necessarily relevant to the bill. They are in the form of notices of motion and so on. I suggest Mr Ives keep his comments relevant to the bill and if he wants to raise broader issues he should take advantage of those other opportunities at the appropriate time. I understand a number of matters on the notice paper are still under discussion and they may well provide a better and more appropriate opportunity for Mr Ives.

Hon. R. S. IVES - Thank you, Mr Deputy President. I was not seeking leave in such a formal sense but, as usual, the learned and accurate reply you gave is most gratifying. I shall confine my remarks within your ruling. The second-reading speech states:

This legislation will enable the government's water reform program for the rural water sector to proceed in accordance with the strategy as detailed in the Office of State Owned Enterprises report of October 1993 entitled *Reforming Victoria's Water Industry: A Competitive Future*.

So we have a reference to the report in the second-reading speech. The main features of that strategy are: the amalgamation of non-metropolitan urban authorities; regional boards being transformed into regional authorities; the introduction of commercial management principles and practices; and the separation of function from local government.

In one sense it seems to place its hopes in more independent organisations, in another sense in larger organisations, and in yet another sense in the adoption of commercial principles and the dissociation of water management from local government. Page 4 gives a number of benefits it is thought will flow from that approach:

The reforms will: substantially improve efficiency and service; achieve target water and effluent quality standards; enable economies of scale in the use of capital and support facilities; enable internal funding of capital works; develop commercial management of services; maintain legitimate community service obligations; and recognise the needs of individual country towns.

This strikes a warning bell because it is the sort of rhetoric that was uttered at the time of the last restructuring of the water authorities in this state, when a number of local authorities were disbanded and their duties and responsibilities assumed by Melbourne Water. At that stage I clearly remember the bureaucracy arguing that those sorts of benefits would flow. However, it seems that this sort of process does not automatically result in those advantages.

It would be relevant to the bill if I simply give a warning to the government by quoting an example from my own electorate where the process did not seem to work - if it has not worked in one case it could be argued that it may not work in others.

The water supplies received by country towns such as Pakenham, Nar Nar Goon, Tynong, Garfield, Bunyip and towns beyond that one served by the Tarago Dam could best be described by the expressions 'primitive' and 'Third World'. I recognise that the terms 'primitive' and 'Third World' may seem somewhat far-fetched and emotive, but I ask the house to consider the following: dirty water filters are essential on taps; last year residents were advised to boil drinking water because of the presence of the life-threatening parasite cryptosporidium, which is found in animal excrement; the water is so heavily processed with

## WATER (FURTHER AMENDMENT) BILL

914

COUNCIL

Thursday, 26 May 1994

chlorine that it tarnishes eating and cooking utensils; at times the water tastes foul, unpleasant and full of chemicals; and in appearance the water is brown and cloudy. It seems to me they are many of the characteristics one would expect to find in a Third World country.

The water delivery from the Tarago Dam is a sensitive and delicate system that requires careful maintenance because it has nearly 50 kilometres of open channel, with, at places, an almost infinitesimal slope. So the water flow is slow and sluggish through the open channels. There is a growing concern about the quality of the water which flows through main drains from the Tarago Dam. There is growing local demand to have the water mains connected to the Cardinia Reservoir, so it is a serious problem.

Numerous local meetings have been held on the issue. There are two theories why the water quality is so bad: both are probably right, and they interact with one another. The first relates to problems due to erosion and animal wastes entering the Tarago Dam through nearby farmland: effluent seeps unfiltered into streams through dairy farms, cattle grazing, logging camps which feed into the reservoir. The evidence for this is that last year residents were advised to boil water because the bacteria and parasite cryptosporidium was discovered in the water. As I said, the parasite found in animal excrement causes severe diarrhoea, abdominal cramps and nausea and was associated with 16 deaths in the United States of America. The government is encouraging farmers to plant trees to filter the run-off. Although that may be a progressive step it will be some years before it takes effect.

The second view is that staff cutbacks within Melbourne Water Corporation have been massive - up to one-third. As a result proven management practices based on local knowledge and techniques have been disregarded. Consequently it is a known fact that after rain the water leaving Tarago Dam holds an increased level of decaying matter due to the erosive nature of heavy rains and cloudbursts. Formerly once the turbidity of the water reached a certain level of decaying matter, the supply from the Tarago Dam ceased. The channels were closed or the water was fed into the Bunyip River. After some days or weeks, but not until the level of the turbidity was restored to an acceptable level, the water from the channels and reservoir was again used.

The accusation is made that the level of local knowledge has been lost and local management has been discontinued. We now face a situation where because of staff cuts in Melbourne Water these very delicate, sensitive and vulnerable open channels are not being adequately maintained.

In conclusion, the government's water strategy seems to suggest that we should move towards large independent organisations and have water managed on commercial principles. Water management will not be associated with local government. That has not worked with water supplies in the Shire of Pakenham. I advise the government to reconsider those principles before it puts them into effect in other places.

There is the added disadvantage that when large organisations are involved the level of accountability seems to diminish. Recently Melbourne Water bulldozed one side of an area alongside the Tea Tree Creek that was being developed as a wetlands sanctuary between the Princes Highway and the town of Bunyip. Without warning, prior knowledge or consultation that area was bulldozed. When the Pakenham shire tried to discover who had ordered the work to be done it found it difficult to do so because of the bureaucratic structure of Melbourne Water. Although the opposition supports the bill it has grave reservations about the government's overall strategy. In the example I have quoted similar principles have not worked, not even to the extent of being able to deliver drinkable water. That is the absolute minimum one should demand from any system.

As Mr Pullen said, there are larger issues of sustainable development and environmental concerns, including the overuse of a rare resource. There are issues relating to how water may be most productively used. But the very basic issue, or the lowest common denominator, is that the system should at least be able to deliver drinkable water. In the case of the Pakenham shire, Melbourne Water has not been able to do that. Certainly, as we approach the 21st century, country residents are entitled to drinkable water. They should not have to boil water because of bacteria that causes illness; it should not be full of chemicals; and it should not tarnish their cutlery.

Hon. D. M. EVANS (North Eastern) - I wish to respond to some of the issues that have been raised by previous speakers. Although the opposition said it supports the bill, I strongly refute any suggestion that government members do not have a full

## WATER (FURTHER AMENDMENT) BILL

Thursday, 26 May 1994

COUNCIL

915

appreciation and understanding of and commitment to the need to look to environmental aspects of the use of water, waterways, soil and the productive capacity of the state.

Mr Pullen attempted to make too complicated an issue of legislation that is really simple. The bill deals only with the efficient delivery of water at a competitive cost and recognises the costs of its delivery to the people who use water in the state. By attempting to introduce environmental issues, water flow and use and the problems that irrigation may pose for the state he made the issue too complicated and did not recognise that the people who use irrigation water in irrigation districts are farmers who are a damned sight more clever than he gives them credit for.

The farming community understands the issues. There are separate and efficient means of dealing with and recognising the environment problems that need to be addressed in this state. I raised them in this house as long ago as 1978, prior to Mr Pullen being elected. I am happy to give him a copy of my speech.

Hon. B. T. Pullen - Why? You use it time and again. I have heard it 10 times!

Hon. D. M. EVANS - It takes a little time to get the message through to slow learners.

The bill has limited application. The concerns raised by Mr Pullen which he believes are not addressed in the legislation should not have been addressed because they are adequately covered in other ways. Shortly new legislation will be introduced covering Landcare and the protection of all the values he mentioned in his contribution which will effectively do the sorts of things he wants. That measure will clearly indicate the government's commitment to the important issues and the facilitation that the government wishes to put into place to deal with them.

Hon. B. T. Pullen - Who will fund it?

Hon. D. M. EVANS - Had Mr Pullen studied the Salinity Program Advisory Council's recent annual report and its submission to the Treasurer during his recent visit to Victoria's irrigation areas he would have understood that not only are the federal and state governments making a significant contribution in cash terms to dealing with the problems to which he refers but that the municipalities in those areas are also making a

significant contribution to overcoming the salinity problem. Most importantly, landowners and farmers who recognise the seriousness of the problem are making their contribution.

As custodians of the land they have a clear responsibility to put their efforts, resources and time into the problems that Mr Pullen and Mr Ives have referred to. If a simple piece of legislation is needed to deliver water, the other issues will already have been taken care of. The house should understand that in putting this legislation forward today the government - including the National Party which is an integral part of the coalition - is doing nothing other than recognising the problems and dealing with them in separate legislation. If Mr Pullen wants to make the state so complicated that its agricultural and other industries are bogged down in trivia and detail, then he would want to put into every piece of legislation those things that need to be treated separately but in an integrated fashion.

Mr Pullen also referred to transferable water entitlements (TWEs). The first time that was raised in Parliament was in 1983 in the presentation of a report of the former Public Bodies Review Committee in which the committee recommended further reform of the water industry and a recognition of transferable water entitlements. The government at that time - a Labor Party government - facilitated the creation of transferable water entitlements for better and more efficient use of water so that a farmer with land which had water entitlements and which suffered from saline incursion could have the opportunity to transfer that water from where it was causing the salinity problem to areas where it could be more efficiently used.

It is important to acknowledge that Labor Party members on that committee enthusiastically endorsed the TWEs. The first government to facilitate the auctioning of water in Victoria was the former Labor government. Although Mr Pullen was not the minister at the time, he should remember the auctions that were conducted at Kerang when water entitlements were sold for \$1700 per megalitre. That was the first introduction of the principle of transferable water entitlement in this state, and it was done with the concurrence of the Labor Party members of the former Public Bodies Review Committee.

I am sure Mr Pullen and Mr Ives are genuinely concerned about environmental issues. I put Mr Pullen's mind at rest by saying that the

government's policies and legislation will deal with those matters coherently and in an integrated way. The legislation acknowledges community understanding in country Victoria which goes back to the 1970s and which is recognised by governments of all colours both at the federal and state levels.

In no way will this legislation diminish the commitment of this government to encourage farmers to carry out the necessary work needed to address those water problems. This government is fully committed to that and recognises that in its legislation and its cooperation with the farming community.

The passage of this legislation will do no more than result in the cost-effective delivery of services and irrigation. The issues raised by Mr Pullen are more properly dealt with in other legislation. If we are to have economically viable farming industries which can deal with the environmental problems to which Mr Pullen has referred, we must have cost-effective water delivery. We should not be wasting money on other irrelevancies. I support the legislation.

Motion agreed to.

Read second time.

*Third reading*

For Hon. M. A. BIRRELL (Minister for Conservation and Environment), Hon. R. I. Knowles (Minister for Housing) - By leave, I move:

That this bill be now read a third time.

In so doing I thank honourable members for their contributions. Mr Pullen made important points about the reform of the water industry, and I am sure the minister will consider them.

Motion agreed to.

Read third time.

Passed remaining stages.

## STATE TRUSTEES (STATE OWNED COMPANY) BILL

*Second reading*

Debate resumed from 24 May; motion of Hon. R. M. HALLAM (Minister for Regional Development).

Hon. T. C. THEOPHANOUS Qika Jika) - The bill provides for the restructuring of the State Trust Corporation of Victoria which has been previously declared a reorganising body under the provisions of the State Owned Enterprises Act 1992. State Trustees currently provides a range of services in a number of categories, one of which is the making of wills and estate administration. It is also responsible for the administration of affairs of people specified by the Guardianship and Administration Board, including the mentally disabled and minors, by ensuring that the funds of those people are looked after adequately and that they have appropriate access to them when required.

As it is currently constituted, State Trustees is obligated to deal with all Victorians. State Trustees cannot refuse to make a will even if a client has no money. That is an important community service obligation.

Under the restructuring proposals that obligation and the responsibility of providing such services will no longer rest with State Trustees per se but shifts to the minister pursuant to an arrangement with the new state-owned company. So far as I am aware this is the first time the minister has been given responsibility for determining community service obligations rather than their being part of the charter of the organisation.

The contract between the minister and State Trustees Ltd, which will set out the community service obligations, forms an important part of the legislation. It is the view of the opposition that those arrangements and the contract itself ought to be made public by the minister - they ought to be a matter of public record. The opposition does not want to be put into the position of again being told that for commercial reasons the details of contracts covering community service obligations cannot be made available. Although the opposition accepts that some of the arrangements between the minister and State Trustees may fall into the commercial-in-confidence category, it does not believe the details of the community service obligations fall into that category and seeks from the

## STATE TRUSTEES (STATE OWNED COMPANY) BILL

Thursday, 26 May 1994

COUNCIL

917

government some assurance that that aspect of community service obligations will be a matter of public record.

The bill includes a number of components, which I do not wish to go through in great detail, and grants to the new company, State Trustees Ltd, general powers currently held by the State Trust Corporation of Victoria. It gives State Trustees the ability to charge fees, contains secrecy provisions and provides for a government guarantee of State Trustees. I have already mentioned that the community service obligations will pass to the minister under an agreement with State Trustees. The bill also repeals the State Trust Corporation of Victoria Act 1987 and amends the Guardianship and Administration Board Act 1986 and the Administration and Probate Act 1958 in respect of the State Trust Corporation of Victoria Act 1987. That is a broad outline of what the bill does.

The opposition does not oppose the bill *per se* but seeks clarification about the making available of the contract between the minister and State Trustees in relation to community service obligations. State Trustees will offer assistance to people who are not able to assist themselves or people who are not able to get assistance from any other source. In a civilised society such persons should be looked after by the state. The important community function and service role of State Trustees of making wills, administering estates and administering the funds and affairs of individuals is supported by the opposition.

The opposition is concerned, however, that the obligation to provide services is not as clear as it was previously. The opposition wants an assurance from the government that contracts between the minister and State Trustees will ensure that trustee services that have been available to individuals who are unable to look after their own finances will still be available.

I was involved in debate on this issue at an earlier stage and point out that State Trustees will also have responsibility for looking after the widows pension fund from the former WorkCare Appeals Board, which was disbanded as a consequence of the shift from WorkCare to WorkCover. Under the auspices of the WorkCare Appeals Board that fund had a proud record of looking after the assets of widows. The returns it obtained were excellent by any standards - they were certainly higher than the returns State Trustees has been able to offer. Even the latest figures, which were made available to me

by the Victorian Workcover Authority, suggest there is a 2 per cent difference between the returns received by the widows fund after it was transferred to the Victorian WorkCover Authority and the returns State Trustees has been able to achieve.

In addition, State Trustees charges an up-front fee of approximately 2 per cent for managing funds. It is still not clear to me whether that fee will be charged on widows pensions that will come across from the Victorian WorkCover Authority. I should be grateful to receive advice on that matter. An up-front charge of 2 or 3 per cent for the management of funds is a bit steep.

**Hon. R. M. Hallam** - Do you mean the concept or the level?

**Hon. T. C. THEOPHANOUS** - I have problems with both, because when widows pensions were managed under the WorkCare Appeals Board regime there was no up-front fee.

**Hon. R. M. Hallam** - As a matter of interest, do you still support the concept of a widows fund? It seems to be pretty anachronistic and sexist.

**Hon. T. C. THEOPHANOUS** - Whatever terminology is used, the fund was for widowers as well as for widows. Perhaps the wording may be somewhat sexist, and I take the minister's point, if that is the point he is making -

**Hon. R. M. Hallam** - No. It is out of date. I was making a more substantive point in relation to the management of the fund. The concept that widows cannot look after their own funds is out of date.

**Hon. T. C. THEOPHANOUS** - If the minister thinks I was making such an assertion he is totally incorrect. He would know that my record on these matters is total support for non-sexist language. If that is what the minister is referring to I support that message of non-sexist language. I am referring to individuals whose partners were killed in the workplace and who received money as a consequence and for one reason or another the fWlds have finished up in the WorkCare Appeals Board and have been administered through that mechanism.

I recognise that some of those fWlds have been paid out as a result of the changes, but in many cases they have not been paid out because of judgments about the capacity of individuals to manage their own funds. My question is: does State Trustees intend to

# STATE TRUSTEES (STATE OWNED COMPANY) BILL

918

COUNCIL

Thursday, 26 May 1994

charge those people a 2 per cent up-front fee? I believe it should not, nor do I believe there is a case for charging an up-front fee in any other area.

Hon. Bill Forwood - Do other trust companies charge fees for that kind of service?

Hon. T. C. THEOPHANOUS - I am not sure what private sector trust companies do, but presumably they charge a fee. State Trustees is not meant to be a competitor with the private sector; it is designed to deal with people in whom the private trust sector is not interested. That is why its charter includes will-making. It is not a purely commercial enterprise, and I do not believe it should be treated in that way.

The 1989 report of the Legal and Constitutional Committee agreed with what I am saying, and it is interesting to note in one passage of the report that State Trustees is quoted as saying that it does not think it should be subject to freedom of information because it believes the marketplace will determine which people will continue to be its clients. I respect that response.

The current legislation, given that it comes under the provisions of the State Owned Enterprises Act, in principle allows for the minister to remove State Trustees from freedom of information coverage. The opposition strongly opposes such a move. The notion that people who have their funds with State Trustees should be unable to gain access to their files is abhorrent to the opposition. It is equivalent to WorkCover not being subject to freedom of information.

Hon. R. M. Hallam - You are not suggesting that people should be denied access to their files, are you?

Hon. T. C. THEOPHANOUS - The Freedom of Information Act is designed to allow people to have access to their files.

Hon. R. M. Hallam - But this is a trust company, so what is the issue you are raising about people's access to their own files?

Hon. T. C. THEOPHANOUS - There have been examples of individuals seeking access to their files being forced to go through the freedom of information process because there was a dispute about the way State Trustees had dealt with the individual or where the individual was being unfairly treated.

I am happy if the minister wants to put on the record that he believes State Trustees should not be subject to freedom of information.

Hon. R. M. Hallam - I do. It should not have to be.

Hon. T. C. THEOPHANOUS - You do not support that it should be subject to freedom of information?

Hon. R. M. Hallam - I suggest it should not have to be because the question does not arise.

Hon. T. C. THEOPHANOUS - If the minister is prepared to say that he does not think that a company like State Trustees - -

Hon. Bill Forwood - If you had a will you wouldn't like someone to look at it, would you?

Hon. T. C. THEOPHANOUS - It is not a question of people having access to other people's wills; it is a question of people having access to their own files.

Hon. R. M. Hallam - They should as a matter of course, instead of having to resort to freedom of information.

Hon. T. C. THEOPHANOUS - If there is no freedom of information coverage there is no more requirement on State Trustees to give information than there would be for WorkCover to give information if it were not subject to FOi. The minister knows that at the end of the day private individuals can seek their files through freedom of information from the Victorian WorkCover Authority if the authority is not prepared to provide that access. That is only one side of the freedom of information argument.

The other side of the freedom of information argument is that the public and interested parties want to know about the operations of State Trustees. It has a charter based on a lot of trust to look after a group of people. It is not only a matter of looking after their funds: State Trustees must also administer those funds. It must also deal with people and decide the extent to which people have access to their funds. Most clients of State Trustees have probably received their funds from some government-related payout, and it is not unreasonable for the broader community to want to know or at least have access to information about the operations of State Trustees.

## STATE TRUSTEES (STATE OWNED COMPANY) BILL

Thursday, 26 May 1994

COUNCIL

919

It is a further erosion of freedom of information for State Trustees to be taken outside the ambit of the FOi legislation. That view is in keeping with the Legal and Constitutional Committee's report.

Hon. Bill Forwood - Nowhere does the bill say we are going to do it.

Hon. T. C. THEOPHANOUS - If Mr Forwood had taken the trouble to read the State Owned Enterprises Act he would see that the minister has the capacity, once a corporation is established under the act, to remove that corporation from FOL. If the government decides in the future to take State Trustees outside freedom of information, there will be a debate about it at that time, but the government will not be able to say, 'The opposition did not raise this issue beforehand'.

The opposition does not oppose the legislation but is concerned about the community service obligations and the nature of the contract between the minister and State Trustees on those community service obligations. The opposition supports the notion that State Trustees should remain within the ambit of freedom of information legislation.

Sitting suspended 100 p.m. until 202 p.m.

Hon. BILL FORWOOD (Templestowe) - I support the State Trustees (State Owned Company) Bill, the object of which is to make provisions relating to the conversion of the State Trust Corporation of Victoria to a state-owned company named State Trustees Ltd, which will be a company under the Corporations Law of Victoria, a trustee company under the Trustee Companies Act and will provide services to the community under agreements with the minister.

State Trustees is a well-known Victorian institution, which was established in 1939 as The Public Trustee for Victoria. It provides a comprehensive range of services to a large number of Victorians. State Trustees has two main streams of activity. One is the provision of wills, many of which are for people who choose the services of State Trustees but another element, as has been pointed out, has an element of community service obligation about it. The second well-known activity is the administration of the affairs of people with disabilities. At present more than 5000 clients are on the books of the State Trustees and use the services. It can be said without a shadow of doubt that State Trustees administer those services with dignity and efficiency.

Hon. T. C. Theophanous - There have been problems in the past.

Hon. BILL FORWOOD - Although there have been problems in the past, Mr Theophanous will accept that the corporation has improved since early 1990-91. It is important to note that the two streams of activity in the current State Trust Corporation will continue. One is the commercial aspect where State Trustees compete as a trustee company with other trustee companies in the marketplace and the other is the community service obligations that are protected in the bill. It is important to note that the structure the government is establishing, of itself, does not require those services to be provided by the State Trustees; however, the community service obligations must be protected and made available. Although it is the government's responsibility to ensure that that takes place, it does not necessarily need to be provided by State Trustees. Mr Theophanous asked whether the community service obligations established under Part 6 of the bill will be explained in detail.

Hon. T. C. Theophanous - Contracts!

Hon. BILL FORWOOD - Contracts, yes. Their scope will obviously be made available. The annual report of State Trustees records that the value of community service obligations is currently \$2.8 million a year. Although it is not the intention of the government to hide anything, it is also not the intention to make commercially confidential information available. The reason for that is apparent: Victoria may reach the stage when the obligations and services are tendered out. In those circumstances State Trustees or another trustee company may win the tender, and one would not want those details made available.

Hon. T. C. Theophanous - They do not tender for the community service obligations.

Hon. BILL FORWOOD - They do not yet, but they may. Clause 22 of the bill, which deals with the provision of services, states:

The minister is to provide the services referred to in section 21, out of money available, under an agreement entered into with State Trustees or, if the minister so determines, with another trustee company, person or body.

The community service obligation will be provided by the minister and can be met by either State Trustees or, after tender, to somebody else. Services

## STATE TRUSTEES (STATE OWNED COMPANY) BILL

920

COUNCIL

Thursday, 26 May 1994

will be provided, but it is a matter of who provides them. In those circumstances it is inappropriate to make the commercial details freely available. What will be made available is the scope, type and global - -

Hon. T. C. Theophanous - We do not want the commercial details of each case; we want the rules and the rights that will be applied.

Hon. BILL FORWOOD - I am happy to give that assurance. There is no problem with that. In 1989 the State Trust Corporation experienced a particularly bad year. It lost \$125 million. One of the reasons for the loss was that the corporation lost its focus. Under new management, the commercial focus is returning speedily. State Trustees has developed a very strong relationship with the marketplace. During the past two years the corporation has increased the number of wills written. Prior to that its business had fallen off because of the cosy nature of its previous position. By improving client relationships and marketing itself better, it now has a raft of clients.

Hon. T. C. Theophanous - We want it to show greater goodwill.

Hon. BILL FORWOOD - I have no problem at all with the way State Trustees currently approaches all its obligations, especially to those who are less fortunate and those who are unable to manage their affairs. By sheer volume, State Trustees is the most significant administrator of deceased estates and the most significant provider of management services to people with disabilities. Those services will continue with this legislation. The corporation had a turnover of \$16 million last year. It is a significant organisation and one that has a lot to contribute as it moves forward into the 1990s.

I turn briefly to freedom of information, an issue to which Mr Theophanous referred. State Trustees is a commercial organisation that will be a company under the Corporations Law of Victoria and the Trustee Companies Act. My personal view is that it is inappropriate for FOI to apply to those types of companies. However, there is nothing in the bill that says that will happen. I found Mr Theophanous's suggestion that people using the State Trustees could not get access to their own files bizarre. I cannot imagine an organisation as focused on clients as the State Trustees denying those clients access to their files. That does not make sense to me.

That is outside the charter of the act; it cannot be done. State Trustees will be an incorporated company operating in the marketplace, and I am confident that it will continue to advise and manage the affairs of its clients in ways that will benefit Victorian people. I commend the bill to the house.

The PRESIDENT - Order! I am of the opinion that the second and third readings of this bill require to be passed by an absolute majority. To ascertain whether a constitutional majority exists I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The PRESIDENT - Order! So that I may be satisfied that an absolute majority exists, I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time.

*Third reading*

Hon. R. M. HALLAM (Minister for Regional Development) - By leave, I move:

That this bill be now read a third time.

In so doing, I seek the indulgence of the house to respond to the issues raised by the Leader of the Opposition during the second-reading debate. The first relates to community service obligations. The Leader of the Opposition argued that the obligations should be open to public scrutiny. I have no argument with that, so long as the opposition understands that that public scrutiny should be confined by two important considerations: firstly, the need to protect the confidentiality of individual client contracts - I am sure honourable members understand the reasons why; and, secondly, the need to ensure that commercial confidence cannot be breached in the contracting out of or tendering for community service obligations.

The use of the term 'community service obligations' connotes that the process will be evaluated each year when budgetary decisions are made. Mr Theophanous should understand that the government reserves the right to restrict access to

## APPROPRIATION (PARLIAMENT) (INTERIM 1994-95) BILL

Thursday, 26 May 1994

COUNCIL

921

tender documents; but at an aggregate level, we have no objections. In fact, the government believes it is proper that community service operations be valued and disclosed.

Mr Theophanous also referred to the widows and orphans fund. My interjection related to whether he thought the fund was still relevant to the needs of widows and orphans. I was not trying to be either smart or coy.

Hon. T. C. Theophanous - You called me sexist.

Hon. R. M. HALLAM - No, I did not. You should listen to the explanation. I believe the fund is an anachronism. It was established on the premise that widows were unable to manage their funds. That was unfair then, and it is even more inappropriate today. The concept is presumptuous and paternalistic. There is less need for the fund today than there was in previous times, given that the sorts of services required are available commercially.

I have no doubt that there are many situations in which courts and authorities need to protect recipients, but the presumption that widows need protection is the issue that should be addressed. Often the awards - in many cases, what is left of estates - are very small, so an argument can be made for paying the funds to the recipients to allow them to get on with their lives.

Hon. T. C. Theophanous - My question related to relative performance.

Hon. R. M. HALLAM - We should question the need for a widows fund. The Leader of the Opposition asked whether State Trustees would charge up-front fees for the management of workers compensation awards. With respect to existing cases - that is, those already under the management of the Victorian WorkCover Authority or other authorities, whether or not they have come through the Accident Compensation Tribunal - I put it on the record that State Trustees will manage the funds without charging an up-front fee. That is the negotiated arrangement, but an up-front fee of 2 per cent will apply to those funds directed to the trustees from 1 July. That is very competitive, especially when compared with the 5 per cent up-front fee charged by the same body for funds directed to it by the Transport Accident Commission. The authority has negotiated a good deal.

In addition, I correct a misconception implicit in the comments of Mr Theophanous. I think he said the funds came from the WorkCare Appeals Board. That is not the case. The funds were managed by the registrar of the Accident Compensation Tribunal. I offer no comment about the relative merits of the management of the funds other than to say it is right that the funds should go to State Trustees. The Victorian WorkCover Authority has hammered out a good deal, and Mr Theophanous should be relaxed about the outcome.

The PRESIDENT - Order! So that I can be sure a constitutional majority exists I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber.

The PRESIDENT - Order! So that I may be satisfied that an absolute majority exists I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Passed remaining stages.

## APPROPRIATION (PARLIAMENT) (INTERIM 1994-95) BILL

*Second reading*

Debate resumed from 24 May; motion of Hon. R. M. HALLAM (Minister for Regional Development).

Hon. B. A. E. SKEGGS (Templestowe) - It is good that since 1992-93 Parliament has had a separate annual appropriation bill. That was not before time; it was long overdue. The bill provides expenditure requirements for the first four months of the 1994-95 financial year covering funds for capital works and recurrent expenditure.

While I am speaking of capital works for Parliament, I must again raise the need for funding to be found for the construction of both the north and south wings of the parliamentary building. They were originally included in the design of the building, and their construction has been long awaited. There

should be a consensus of members of Parliament for this long overdue project to proceed, particularly with the approach of the centenary of Australia as a nation in the year 2001.

The first commonwealth Parliament met here from the inauguration of Federation until 1926, and it would be an appropriate gesture if the commonwealth government were persuaded to assist Victoria in completing the missing wings of the building as a centenary project. I hope some move will be made towards getting something done for this historic building, not just for this state but for this nation.

We now have a national Parliament House building in Canberra of international significance and standard. Although the Victorian building is beautiful and of great architectural significance, in so many ways it is inadequate for honourable members. There is an urgent need, particularly when compared with the parliamentary buildings and facilities of other states, that the Victorian parliamentary building be upgraded and superior facilities provided for honourable members. Too many members have been meeting in what has been known as temporary accommodation at the rear of the building which was erected in 1976. Both members and staff continue to perform their duties in what can be described only as substandard conditions, particularly when compared with those of parliamentary buildings in other states.

The House Committee continues to assist in trying to find ways of rectifying the situation. Of course, the best way would be to build the north and south wings or at least begin construction of one wing. However, in the interim, the committee has already inspected the government-owned building currently occupied by the commonwealth chemical laboratories at 1 McArthur Place, and an inquiry will explore the feasibility of refurbishing that building to house some of the state parliamentary committees and other infrastructure that are currently located in Parliament House. I hope something will come of that.

At present many parliamentary committees are renting space at Nauru House. With 180 000 square metres of government leased space due to expire at the end of 1997, the time will be ripe for something to be done in that regard. The government is currently using 147 000 square metres of office space on the city fringe of Melbourne and it will relinquish 130 000 square metres of accommodation that is

currently under use. I believe the rental of that space is costing the state some \$32 million each year.

If the refurbishment can take place within the parliamentary and government precinct at 1 Treasury Place and 1 McArthur Place, I am sure there would be great improvements in the accommodation and the use of government buildings by departments. A transfer to accommodation in the parliamentary and government precinct would create much improved access and put all the departments under one roof. It would be wonderful to have that sort of access to government departments in the parliamentary precinct.

It is also desirable that electorate offices of members be improved and refurbished and I hope that will occur in the appropriation process. A computer linkage between electorate offices and the parliamentary building and government buildings would improve the efficiency of information exchange and also effect savings in many ways. If there were a computer linkage much of the information could be conveyed via computers instead of being relayed by fax machines and mail-outs from departments, which require the use of extensive amounts of paper.

I hope some of those matters will be taken into consideration in the future in appropriations relating to Parliament. I commend the bill to the house.

Hon. B. W. MIER (Waverley)—In speaking on the parliamentary appropriation bill, on this extremely rare occasion I support the comments of Mr Skeggs. As we all know and appreciate this is one of the most beautiful buildings, if not the most beautiful, in all Australia and the whole commonwealth. It is reputed to be the best example of Victorian architecture in the whole world. Even the poms could not come up with something as good as this!

This is a marvellous building, but unfortunately it has never been completed. The last addition made to it was a gift from the commonwealth because, following Federation in 1901, the commonwealth Parliament sat in these chambers, and after moving to Canberra following the completion of the commonwealth Parliamentary building - -

Hon. W. A. N. Hartigan - I n 1927.

Hon. B. W. MIER - Y o u remember it well, do you? The commonwealth left these gracious

chambers and moved to Canberra. However, it left us with what we now describe as the dining room and the strangers corridor which, as we all appreciate, do not in any shape or form do this place any justice. Honourable members cannot bring guests into this place and expect to provide them with the dining facilities and accommodation they might expect.

In addition, all honourable members have to pile into the members dining room. Although discussion has taken place over past months about the silver service, I point out that if that is silver service I suppose the service provided when I was in the army could well be described as plastic service - at least the facilities provided in the dining room are a significant improvement on the army arrangements.

Hon. D. R. White - Mr Hartigan said that horses have rejected better food!

The PRESIDENT - Order! This is an important speech!

Hon. B. W. MIER - Mr President, I do not want to be described as your spokesman, however, the point is that Parliament's facilities are outdated. More than 20 members occupy what is known as the chook shed, which is supposedly a temporary facility out in the garden. It is an eyesore and ruins the whole concept of Parliament House. It should be removed and the proposals to reconstruct and complete the east and west wings of this famous building are - -

The PRESIDENT - Order! I must interrupt the honourable member at this time.

Debate interrupted pursuant to sessional orders.

---

## QUESTIONS WITHOUT NOTICE

---

### Local government restructure

Hon. PAT POWER (Opposition) - Yesterday the Minister for Local Government indicated that in respect of the administration of local government change he approved of double-dipping. The opposition understands that a government-appointed commissioner received a departure package in December 1992 and is therefore precluded from taking an appointment with the state government at this point in time. Acknowledging that commissioners are appointed

by the state government, I will ask the minister to advise the house if he still considers that appointment to be both legal and appropriate?

Honourable Members - Hear, hear!

Hon. R. M. HALLAM (Minister for Local Government) - I can confirm that yesterday I did not approve of double dipping.

### Film industry

Hon. G. R. CRAIG (Central Highlands) - Will the Minister for the Arts inform the house of recent moves by the government to assist the film industry in Victoria?

Hon. HADDON STOREY (Minister for the Arts) - I thank the honourable member for his question as I know he is particularly interested in films. I am pleased to say that the film industry in Victoria is doing particularly well both commercially and artistically. Current figures indicate \$120 million of production currently taking place in Victoria, which is a 65 per cent increase on last year's total of \$78 million. That is very good for the film industry in this state.

The productions include a number of series such as *Banjo Paterson's The Man from Snowy River*; *Full Frontal*, which is a rather different sort of show; and *Lift Off*, Series 2, which is an Australian Children's Television Foundation production. Feature films being produced in Victoria include *Speed*, which is appropriate when we are talking about the grand prix these days; *Hotel Sorrento*; and *Muriel's Wedding*, which will feature in a fortnight at the Cannes International Film Festival. It will also open the Melbourne Film Festival on 2 June this year. The government is determined to do what it can to assist the film industry in Victoria. It is important to the state and is a showcase for Victoria.

I wish to mention two initiatives in particular: the Melbourne Film Office, which has established the market output of the Victorian film industry and its services. The office services overseas inquiries from companies wishing to shoot films in Victoria. It handles visits to Victoria of various important people, such as the Mexican director, Alfonso Arau, who is responsible for the film *Like Water for Chocolate*. I am sure honourable members would agree that that is an extraordinarily good film which has been a worldwide hit.

## QUESTIONS WITHOUT NOTICE

924

COUNCIL

Thursday, 26 May 1994

The Victorian film industry has been enthusiastically behind initiatives to enable the marketing of Victoria's film and television production, including a new program to provide a financial facility to assist location producers and attract interstate and overseas producers to Victoria. The government allocated in this year's budget \$25 million for the program.

The rationale for the program is to allow film producers to get on with making films when funds are needed at the early stages of production. Often films are sold before they are made, but the money is not received until after the film is finished. Through this facility Film Victoria will be able to cash-flow projects, and when the pre-sales are paid out and the money is reinstated, the funds will revolve and provide assistance to others.

Hon. D. R. White - Will this stop the drift of the film industry to Brisbane?

Hon. HADDON STOREY - The film industry has moved in part to Queensland in recent times, and that was achieved by unashamed financial deals offered by the Queensland government to attract film makers. The initiatives that have been taken in Victoria are designed, among other things, to provide the facilities that are available in Queensland.

Film producers and people involved in the film industry would prefer to have their films produced and dealt with in Victoria rather than in Queensland, and the opportunity provided by the facilities I have outlined will make a tremendous difference to that drift. The change is indicated by the fact that productions in Victoria have increased by 65 per cent in the past year. That is a great improvement and a tribute to our film makers. It is also a tribute to the fine work being done by the Director of Film Victoria, Jennifer Hooks, and her dedicated staff.

I am delighted that this obviously has bipartisan support. Honourable members can look forward to the film industry continuing to be an important field of activity in Victoria both commercially and artistically. It will enable the state to be well represented overseas and will in turn bring more business and attention to the state.

### Local government restructure

Hon. PAT POWER (Ika Ika) - I direct a question to the Minister for Local Government. I

have received recommendations from ratepayers and residents in the Ballarat region about the recent appointment of commissioners. The ratepayers and residents understand that there is a requirement that those who take redundancy packages are unable to take appointments with the state government for a period of two years and are concerned that a recent commissioner's appointment was inside that category. I ask the minister whether he still considers in the light of the anxiety that has been caused that such an appointment is appropriate.

Hon. D. R. White - Let's get an answer to the question this time!

Hon. R. M. HALLAM (Minister for Local Government) - I answered the preamble last time!

Hon. D. R. White - You didn't answer the question!

Hon. R. M. HALLAM - I answered the preamble, which was provocative!

Hon. D. R. White - Answer the question!

Hon. R. M. HALLAM - I do not accept the concept of double-dipping in this case, and I note that the honourable member has claimed to have had numerous messages of anxiety from ratepayers in Ballarat. That has not been the case in respect of the ministry. I have had nothing but glowing reports of the appointment of commissioners in the City of Ballarat, and I suggest to the honourable member that he is doing both himself and local government a grave disservice by his continual denigration of those who have been appointed to these most important jobs.

The appointment of the commissioners is short term in nature. I see no conflict in the appointments in Ballarat. I stand by what I said at the time: that the appointments are extremely appropriate. We should be delighted that we have been able to appoint commissioners of that standard.

### Eastern Freeway

Hon. BILL FORWOOD (Templestowe) - The coalition went to the last election with a commitment to build the Eastern Freeway - another promise kept immediately after the election. Will the Minister for Roads and Ports bring the house up to date with information on that project?

Hon. W. R. BAXTER (Minister for Roads and Ports) - I am pleased to respond to Mr Forwood's question because he has taken a great deal of interest in that project, as well he might. I am sure the overwhelming vote he received at the election was due in no small way to his and his local colleagues' support for the project

We have been able to honour the commitment somewhat rapidly and to give justice to the citizens of that part of Melbourne, who waited so long for their half-completed freeway, bearing in mind that the earlier plans were rather rudely cancelled by the then Minister for Transport, Steve Crabb!

I am pleased to advise the house that a project office has been opened in Frederick Street, Doncaster, and that tenders for the three contracts being advertised at present will close shortly. The contracts are for major crossroad overpasses and pedestrian overpasses. That will enable construction of the overpasses along Elgar, Tram, Middleborough, Blackburn and Springvale roads to start in August.

A landscape plan is well under way. The plan allows for widespread community consultation so that the landscaping is in tune with local needs and aspirations. In addition, the acquisition of property is proceeding remarkably smoothly. The purchases of more than 50 per cent of the properties needed for the extension have either been settled or the terms for negotiating the sales have been agreed on. I commend the officers involved on their ability to reach agreement with various property owners so readily. That is indicative of the way the government goes about its business - in a fashion that does not generate suspicion.

The relocation of services is a major task and is one of the expensive inputs of any road building program. Services were installed at a time when no thought was given to the possibility of a road being constructed there. The relocation of sewerage systems will commence next month. This project is being funded under the Better Roads program through the fuel levy. It was scheduled to finish in 1997, and I advise the house that even at this early stage that it is well on target. I look forward to its continued good progress.

### Local government recycling schemes

Hon. M. M. GOULD (Doutta Galla) - The Minister for Local Government will be aware that council recycling schemes are in jeopardy because of the decrease in prices for recycled materials.

Recycling contractors continue to ask councils to subsidise the losses they are incurring as a result of selling materials at rapidly falling prices. Will the minister assure the house that he will act to ensure the continuation of council recycling schemes?

The PRESIDENT - Order! Is that not a question more appropriate for the Minister for Conservation and Environment?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - I thank the honourable member for her question - to the wrong minister. It is true that Mr Hallam is the minister responsible for local government. But, given the questions asked of me in the past, it may be more appropriate that I answer the question, because I am the minister responsible for recycling schemes. So I am happy to answer.

Ms Gould's question refers to the fact that there are problems with recycling schemes across the nation, based on the recycling market being affected by falling prices. For example, the price of aluminium fell substantially last year due to the impact of world market prices, particularly Russian prices. In addition, the price of newsprint recycling here has increased because of policy changes initiated by the German government. That has affected the prices local government has to pay for its support of recycling programs.

The direct answer is to ensure that local councils stick with kerbside recycling, which I have asked them to do. I have asked the Recycling and Resource Recovery Council to assist councils in their efforts. Even in tough times it is in councils' interests - it is in everyone's interests - to continue their kerbside collections. The government will be trying to assist them in every reasonable way possible.

The councils have an ongoing duty to collect rubbish - that is one of their basic responsibilities. They should not let tough times cause them to abandon a world-class kerbside recycling program. My department, the Environment Protection Authority and the Recycling and Resource Recovery Council will assist them during these tough times.

### Local government financial management

Hon. B. N. ATKINSON (Koonung) - Given the increased public accountability of and interest in local government, will the Minister for Local Government inform the house of the progress in

implementing improved financial reporting and management systems in the local government sector?

Hon. R. M. HALLAM (Minister for Local Government) - I am able to say with some pride that Victoria is leading the way in accountability in local government. Recently the standing committee on local government financial management, together with the Office of Local Government, produced its third in a series of reports on financial reform in local government. The report, entitled *Accounting for Assets*, is somewhat of a ground breaker because it contains positive news of the efforts many councils are making to identify and measure the full range of assets they manage on behalf of their communities.

The report provides important information on inventory recording issues and the use of asset registers and pavement management systems; issues affecting asset values, by canvassing valuation methods and materiality policies; and the likely impact of the inclusion of depreciation on the overall accounting framework - something which is close to my heart given my accounting background.

The report has been well received across the state and throughout the country, so much so that the chairman of the Public Sector Accounting Standards Board, Mr Ian McPhee, was moved to write to me recently congratulating all concerned on the very valuable work being undertaken in Victoria. The report is extremely significant because it demonstrates the efforts local councils are making to clean up their own financial management patches.

I thank Mr Atkinson for his question and for his interest in the issue. I genuinely congratulate the local government industry in Victoria on its substantial progress in implementing the new reporting and accounting standards. I commend *Accounting for Assets* to the house as a record of that progress.

### Ministers' clothing

Hon. D.R. WHITE (Doutta Galla) - I direct to the attention of the Minister for Gaming an article by Niki Savva in the *Herald Sun* last Monday, in which it was reported that Melbourne businessman Mr Ron Walker bought suits for the former federal leader of the Liberal Party, Dr John Hewson, and topped up the budget for the salaries of his personal staff to the tune of \$380 000. Will the Minister for Gaming ask the Victorian Casino Control Authority to carry out a probity check to ensure that

Mr Walker has not done the same for any Victorian minister?

Hon. HADDON STOREY (Minister for Gaming) - One has only to look at the suits on the front bench to know what an absolute nonsense that question is! It has nothing to do with government administration; it has nothing to do with gaming or the Victorian Gaming Commission. It is simply a slur on Mr Walker! Mr White has done that on other occasions, and I do not believe the question deserves any further comment.

### Linkages program

Hon. ANDREW BRIDESON (Waverley) - Will the Minister for Aged Care advise the house of any developments in the provision of the Linkages program for frail and aged Victorians?

*Honourable members interjecting.*

The PRESIDENT - Order! The house would get through proceedings much better if it were allowed to hear what honourable members asking the questions and those who are answering them are actually saying. It does not need to hear from anyone else!

Hon. R. I. KNOWLES (Minister for Aged Care) - The Linkages program is important in providing services for frail, aged people who wish to continue living in their own homes and who, without the support of those services, would have to access nursing home or hostel accommodation. The program commenced initially in 1988 through four pilot models funded by the commonwealth government, and has subsequently been taken up by state governments.

Since October 1992 this government has allocated \$4.6 million in additional funds to the Linkages program. That represents an increase of 50 per cent in both resources available and the number of people who are supported through that program.

One of the pilot projects was the inner-west Linkages project, which covered the municipalities of Williamstown, Sunshine, Altona and Footscray. Since 1992 it has been under the auspices of the Western Regional Commission, but for some time it has been recognised as a high-cost program. The department had suggested in the past that that program should be broadened to cover a number of other municipalities. That created a great deal of concern for those involved in the particular

program. As a result, there was an agreement to have an independent assessment of the program, and that has now been completed.

It has established that the average cost per consumer under the inner-west Linkages project was \$12 885 compared to a state average of \$7736. It found that nearly 90 per cent of direct-care services were purchased from major home and community care providers and the Royal District Nursing Society. That is a much higher proportion than most other Linkages programs. In addition, the inquiry found that the cost of case management and service coordination for that project is more than twice that of the Peninsula Linkages program and the Bundoora community care project.

The report clearly establishes that there is room for significant improvement in the number of people who are assisted by the funds provided. The report has made a significant number of recommendations, including that the auspice be put out to tender, that the cost of places be reduced to an average cost of \$10 000, which will still make this program the most expensive of any in the state, and that the committee of management be broadened and strengthened to include those who understand the needs of target groups more than is currently the case. At the moment there is an over-representation of service providers on the management committee.

The report found that if these changes are implemented, it will be possible to free up \$500 000, which can be used to either extend the Linkages program into the municipality of Essendon or it can be used as a base for establishing a second Linkages project in the western suburbs.

The report is to be freely available with an indication that the government supports the recommendations as a way of using available resources to provide assistance to more frail, aged people than is currently the case.

#### Parks in central Melbourne

Hon. D. T. WALPOLE (Melbourne) - I direct a question to the Minister for Conservation and Environment. In December 1993 the Department of Conservation and Natural Resources, with the support of the cities of Melbourne, Fitzroy and Brunswick and a recommendation from Melbourne Parks and Waterways, lodged a grant proposal for works to develop the inner circle of parkland on the old railway land in the area of Royal and Princes parks. In view of the minister's response to a

question from Mr Craige yesterday, when will funding be made available for those works to commence?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - I have also read the clipping from the *Brunswick Sentinel*.

Hon. W. R. Baxter - It is an interesting paper.

Hon. M. A. BIRRELL - It is interesting. I am having the matter investigated. The grant has been approved by Melbourne Parks and Waterways. As I understand it from what I was told last week, a committee of management has not been established to receive the money because of some disputation about the signing of the lease on part of the land behind a record store, or something.

Hon. D. T. Walpole - A video store.

Hon. M. A. BIRRELL - All of this is of majestic importance to me, but I do not think it involves matters of great public policy. I agree that for some reason that does not appear to be the result of an explicit public policy directive but seems to be the result of a whole range of minor issues. The money which has been approved has not yet gone to a body that can receive it according to our terms. I am happy for it to receive the money, so far as I am aware, and I am happy for the issues to be resolved.

Last week the officers handling the matter indicated that all was in hand, but I am happy to push it further. The matter has been raised in the *Brunswick Sentinel* twice. The first time it appeared I asked what was happening, and the second time I made sure something was actually achieved. Now that the matter has been raised in the house, it may actually be resolved.

#### Albert Park strategy plan

Hon. K. M. SMITH (South Eastern) - Will the Minister for Conservation and Environment advise the house of the details of the proposed final strategy plan for Albert Park, which was released today?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - Today the state government released the final proposed plan for the future of Albert Park. It is a positive and comprehensive document and a tribute to Melbourne Parks and Waterways, which has been working on it since the draft plan was released in December 1993.

Honourable members and interested members of the public will be able to get answers to a number of questions that have been raised and will see the benefits that will come to Albert Park as a result of the changes.

The draft plan was released in December 1993 and is available for public comment. It accommodates two decisions made public by the government since then: the use of existing or modified streets in the area for a street circuit for the grand prix and the creation of a \$52 million sports centre to replace the old sports facilities in the area. There are several bottom lines to this issue: firstly, that there would be no loss of open space; secondly, that only one race a year would be held; thirdly, that the local playground would not be threatened by the event; fourthly, that the MacRobertson Girls High School would not be threatened as a result of the plan and would be allowed to expand and upgrade its facilities; and, finally and most importantly, that sporting clubs would give a commitment to stay within the reserve area.

## APPROPRIATION (PARLIAMENT) (INTERIM 1994-95) BILL

### *Second reading*

Debate resumed.

Hon. B. W. MIER (Waverley)-As I said before the interruption of the debate, it is unfortunate that the splendid building that is Parliament House has never been completed, particularly by the addition of the north and south wings which were included in the original design. The facilities for members are probably the worst of any parliamentary facilities in the commonwealth. Members of Parliament, particularly opposition members, are crammed into offices, sometimes with as many as four others. As parliamentarians we are often involved in delicate negotiations and discussions about bills and other matters with constituents and interest groups, and yet we are expected to conduct our business with no privacy.

Hon. W.R. Baxter - It's a pity Premier Cain got cold feet. We were close to doing something about it.

Hon. B. W. MIER - I have no comment on that. This matter has a history of political influence, but such influence should never have been imposed on it. The Parliament of New South Wales had no hesitation in upgrading its building and providing facilities for members, and in Queensland members

of Parliament are provided with decent facilities that comply with the regulations and standards we expect all employers to provide for their employees. We formulate the laws that require decent working conditions to be provided for employers and employees but we turn our back on our own facilities. All employees in this place, including the Clerks and the Hansard reporters, are forced to work in conditions that would not be tolerated in most establishments. There is no excuse for it, particularly when we see what has been done to the parliamentary buildings in New South Wales and Queensland. Our Parliament House is reputed to be one of the greatest examples of Victorian architecture in the world. I am no expert, but I understand there is a strong argument to substantiate that point.

The fact that this magnificent building has never been completed is a tragedy. Obviously it is one of Victoria's greatest tourist attractions. Melbourne does not have a great deal to offer international tourists, apart from the fact that it is a beautiful city and it is a great place to live. However, it is not a place that features on the front page of glossy tourism brochures circulated around the world. We do not have much to offer to attract international tourists. We do not have the Great Barrier Reef, rainforests, or a splendid harbour like other cities in our great country, but we do have this magnificent incomplete building that international tourists are interested in viewing. Tourists who come to Melbourne visit Parliament House in similar numbers to those who visit places such as Phillip Island to see the penguins, or Ballarat to see Sovereign Hill. The building should be completed to provide decent working conditions for members and staff. On a per capita basis the Victorian Parliament is reported to be the cheapest parliament in the commonwealth. In other words, the cost per member in this Parliament is less than the cost in most parliaments in other states, and of course it is far less than the cost per member of federal Parliament.

The Department of the Parliamentary Library, which is the most splendid library in the country, costs one-third of the cost of other parliamentary libraries in other states and obviously a lot less than the cost of the library in the commonwealth Parliament. Victorians are getting a parliament at a small cost when compared with the cost of parliaments in other states and the commonwealth. Some years ago, the commonwealth government bit the bullet because its facilities in the old parliamentary building, which was built in 1927, were inadequate.

# APPROPRIATION (PARLIAMENT) (INTERIM 1994-95) BILL

Thursday, 26 May 1994

COUNCIL

929

It had outlived its usefulness. It did not provide decent working conditions for parliamentarians and staff and the magnificent new Parliament House was constructed which we are all proud of.

Hon. J. V. C. Guest - Speak for yourself!

Hon. B. W. MIER - The people were not concerned, except for a few politically motivated objections, which is a problem that must always be faced.

Hon. J. V. C. Guest interjected.

Hon. B. W. MIER - If we cannot justify spending money to restore and complete this magnificent building, no parliamentarian among us is worthy of his or her position. It is one of the state's greatest buildings, if not the greatest. On that basis, when considering the cost of providing proper facilities for staff and members, I believe the government should not be dissuaded by traditional objections that tend to be raised on a politically motivated basis.

Hon. U C I A K O K O C I N S K I (Melbourne West) - I was not going to debate the bill but during the past couple of years as a member of the House Committee a number of things have been highlighted about the physical nature of Parliament House and the expenditure required to maintain it that are relevant to this debate. All governments have great difficulties justifying to the highly cynical electorate why money should be spent on Parliament. We must all grapple with the highly cynical electorate that believes parliamentarians are paid too much.

Hon. B. E. Davidson - Some probably are!

Hon. U C I A K O K O C I N S K I - However, it is clear many members of the public genuinely and truly believe that paying 2 cents more to parliamentarians and support staff is 2 cents too much! People seem to believe that parliamentarians live in the lap of luxury with perks and lurks, cars, holiday houses, overseas trips and so forth. However, the facilities within Parliament House could not be deemed to be luxurious by any stretch of the imagination.

Hon. R. S. de Fegely interjected.

Hon. U C I A K O K O C I N S K I - Please hear me out because I am trying to put a balanced view. The next point I want to make is exactly what

Mr de Fegely has just said. The cost of servicing members of Parliament is not an issue that any government can win. There are private and public submissions on this issue. Some years ago a report was commissioned by the then Speaker, Dr Coghill, and the then President, the Honourable Alan Hunt - your predecessor, Mr President - on Parliament. The report is scathing about the lack of priority and relevance that not only the community but also Parliament places on itself. I remember I was on a joint committee that discussed the report and I made the point, which I stand by, that the dilemma we face is that in times of recession and economic hardship the electorate will not countenance Parliament spending money on itself. That is a position all governments have to accept. There may never be a good time to spend money because of the cynical attitude that somehow or other Parliament is a frippery and a cancer on the community. It is a love-hate relationship. 'We can't do without it, but by God we hate paying for it!' The practicalities of obtaining appropriations for Parliament are fraught with difficulty. Indeed, when we were discussing the report several years ago the point was made that although the researcher and writer were correct in what they said, the reality was that we should not be sending a message to the community that somehow Parliament is exempt from examining and reviewing its own procedures.

Parliament is the absolute foundation of our community and our community is really only as good and as strong as our Parliament. Our parliamentary system is based on our party political system and the separation of powers, and the goodwill and support of the community for the parliamentary system is vital.

This magnificent building is expensive to maintain, but whatever the cost we must continue to maintain it because it is part of our heritage. I am proud to be standing here as a member of Parliament and I have a deep appreciation for the physical history of this building, even without the parliamentary system.

Whether we like it or not, our community is highly sophisticated. We have made enormous technological advances, many of which I cannot understand. I imagine the changes that will occur in my children's lifetime will be more astronomical than those that have taken place during my life and that of my parents. But the system operating at Parliament House is still part of the horse-and-buggy era. I look at Mr TWIDcliffe, who is busily beaver away with paper, and I am appalled that we spent millions of dollars on a

## APPROPRIATION (PARLIAMENT) (INTERIM 1994-95) BILL

930

COUNCIL

Thursday, 26 May 1994

technology unit that cannot even organise a system for our Clerks that means they do not still have to do cut-and-paste jobs. That is an appalling situation in this day and age.

Our electorate offices are poorly serviced, and in the end that reflects on the service we give our constituency. The ability to gain or give information is available at the flick of a switch. We have all manner of resources around us that are accessible only by technology. CD-ROM is a wonderful thing - I just wish I knew what it is or how to use it. From their various buckets of money in the internal accounting system members of Parliament still have to pay for electorate staff to be trained, when they should be treated in the same manner as the staff at Parliament House are treated. Given that technology has changed and continues to change so dramatically, our staff should continually be retrained.

We have a highly expensive and sophisticated information technology unit that believes that members of Parliament are superfluous to the system, that somehow Parliament would exist happily without us. I have news for people like that. Parliament would not exist without its members or without its officers. The machinery is not there because of the whiz-bang whirring technology, it is there not only because of the importance of delivering service to the community but to enhance the democratic process in the community and take it out of the horse-and-buggy days. We are not dealing with history any more, we are dealing with the 1990s.

I do not wish to cast aspersions on your influence, Mr President, and the matter I raise has more to do with the hypocrisy of this government. The government continues to talk about cutting costs here, there and everywhere. But how much does it cost to run the bar heater under my seat? And I wonder how many there are around this chamber. I also wonder how often we overload our switchboard. I know it happens at least once every winter, for whatever reason, but it should not be happening in 1994. I suggest there is an incredible waste of power in our rooms with their tall ceilings and the use of radiators. It must cost Parliament an astronomical amount to maintain this building, even just for the Power.

In that shows the level of hypocrisy of this government, which talks about efficiency but refuses to look at something like the efficient use of power

in this building. I am sure there are many other examples I could give.

I shall return to technology information units. I do not know what has to happen, but I wonder what it would take for Parliament to tell that department that it should be providing services for members and assisting members of Parliament to do their work efficiently and effectively. In today's environment one cannot exist without a knowledge of technology. We cannot do our job efficiently, but we manage to survive. I am speaking as someone who is illiterate in computer language and its use, but I recognise the importance of computers and can see that they will help us all do our job.

I express gratitude to the library staff, who work in beautiful surroundings and do a good job, but it would not be the best library one could work in. Much of our historical equipment cannot be adequately displayed or used by the library, and that is an indictment of the Parliament. Storage must also be a real problem.

I also express my gratitude to the maintenance staff who work so hard to keep this building in good condition. I also thank our gardeners. I thoroughly enjoy walking around our gardens, and I wonder whether anyone bothers to say thanks to the gardeners. I thank the gardeners for maintaining the parliamentary gardens in the condition that they do, although there are times when I would like to get down and pull out the weeds in some garden beds because they are overgrown.

Hon. R. M. Hallam - Feel free.

Hon. LICIA KOKOCINSKI - No, I am just a home gardener, not a professional gardener.

As I said, the maintenance staff do a lot of work around the parliamentary buildings. I am sure most honourable members dislike having to walk under ladders or step over electrical cords, but the work maintenance staff do is necessary and they do a good job in looking after the building.

I return to my original point. I acknowledge the enormous difficulty associated with expanding parliamentary services and upgrading facilities within the building. That is also a cause for concern in electorate offices. As the Minister for Local Government said earlier by interjection, there is never a good time to make those changes. I simply make the point that I am unhappy with the proposal by the Premier and the Treasurer to spend \$9 million

to refurbish two offices when those funds could be used to refurbish and computerise virtually every office in Parliament House.

Hon. R. M. Hallam - It is actually two floors of the building, not two offices.

Hon. LICIA KOKOCINSKI - My understanding is that it is two offices.

Hon. R. M. Hallam - Then your understanding is wrong.

Hon. LICIA KOKOCINSKI - It may be that their offices are vast, but I believe the money could be better diverted to areas where the needs are even greater. I refer again to the archaic system of the recording of Parliament that the Clerks have to endure.

*Honourable members interjecting.*

Hon. LICIA KOKOCINSKI - As I said, I acknowledge the difficulty that governments face in trying to improve facilities in Parliament House. However, I firmly believe the operation of Parliament can be only as good as the people in it, and the way honourable members are serviced by staff and various offices and facilities in Parliament is paramount.

Hon. D. M. EVANS (North Eastern) - I also wish to contribute to the debate on the Appropriation (Parliament) (Interim 1994-95) Bill. I was one of the eight members of the previous Parliament who served on the all-party committee that examined the manner in which Parliament was funded, the way decisions were made as to how it should be funded, the forward estimates, ideas as to what should be provided within Parliament and the level of services that should be provided for members. A key element of the committee's discussion was the question of who had ultimate responsibility for the level of expenditure required by Parliament. There was concern by members of the committee that until that time the responsibility rested not with members of Parliament but with the bureaucrats. There was discussion about how much tension there should be when considering changes between the estimates and the recommendations put forward by the Treasury, regardless of who the government might be.

I believe there was a recognition by the committee that in the ultimate, at least in theory, Parliament was supreme. It had the power through the use of its

voting capacity to change any estimates that may have come forward, but the reality can be somewhat different from the theory, which was recognised by all.

In addition, the members of the committee recognised that the proposed level of expenditure on facilities which the general public may well see as specifically for the members of Parliament without recognising the benefit that would flow to the community through better services should be tempered. We had a series of tensions that needed to be addressed before a proper and fair result could be attained.

There was a clear recognition that Parliament was more than just an ordinary government department, and no doubt some honourable members will recall that about three years ago there was discussion about providing new offices and facilities for the all-party parliamentary committees. Several moves were required because of leases running out in Treasury Gate, and additional committees were transferred to Nauru House. I recall the Speaker and the President at that time and the five chairmen of the former parliamentary committees sitting in the Speaker's dining room waiting for two middle-management officers from the works and services section of a government department to come to Parliament and inform the group where the committees would be located. The senior officers of Parliament and senior members of the parliamentary backbench who were in charge of committees were waiting on second-level public servants to tell them where the committees would go. That was totally unacceptable.

The worst feature was that after it had been decided we discovered that leases had already been entered into which were not good in the commercial sense and the facilities that were provided were less than adequate. That is the real problem when Parliament does not have the opportunity of dealing with issues that affect it. I hope with the appropriation bill now before the house honourable members will at least have an opportunity of having a say, limited as it may be because of protocols and the realities of political life.

The committee to which I referred was also well aware that as members of Parliament we had to be circumspect in recommending additional responsibilities and powers to determine the parliamentary budgets and be seen as putting our snouts in the trough, as some people described it. We had to be careful that the expenditure was

reasonable and that it could be justified for the benefit of the general public.

I will now address several issues that affect the operation of Parliament House, including the provision of security and safety and facilities.

When I was elected to the house in 1976 I was appointed to the House Committee. At that time significant plans had been drawn up for various extensions to Parliament House. The chookhouse was already out the back, housing many members of Parliament together with staff members of the Department of the House Committee in a prefabricated building. One had to walk down the steps, across the yard and up another set of steps - quite dangerous steps if you are in a hurry and it is wet - to reach the main building. The Parliament of Victoria was operating out of those buildings 18 years ago. Things have changed a little since then. Additions have been made to the original chookhouse.

Hon. R. M. Hallam - And we have a flyover, so it overcomes the dangerous steps issue.

Hon. D. M. EVANS - The steps are still dangerous. Parliament, which is the supreme law-making body in this state, has very substandard facilities.

The House Committee at that time had significant plans drawn up. I have them if anyone is interested in looking at them because they are of historical interest.

Hon. G. H. Cox - That is all they are.

Hon. D. M. EVANS - According to the media in the past few days the Premier has proposed that more office space should be provided for all members of Parliament and staff to better carry out their duties. He is looking for bipartisan support for that because unless there is bipartisan support for that it will not happen. The fact is that this building, which caters for 132 members of Parliament - 88 members of the Legislative Assembly and 44 members of the Legislative Council - is inadequate for members to carry out their duties in this modern age. Deputations that travel halfway across Victoria are often forced to meet with ministers and their local members of Parliament in Queen's Hall while the general public passes by. Members who need a room to hold an important meeting are unable to do so because at times meeting rooms are not available for their use. Often

members are unable to find a place where two or three people can talk with ministers. That is totally unacceptable and it is why bipartisan support is needed to improve the facilities that will result in a better Parliament House.

That will probably not happen quickly and it may not benefit me or any other honourable member in the immediate future, but the people who come after us deserve better than what has been given to us.

Hon. G. H. Cox - Hear, hear!

Hon. D. M. EVANS - I know Mr Cox and other honourable members agree with me. None of this can be achieved without bipartisan support. We should cut out the grandstanding and sledging because all of us will benefit from better facilities.

What would happen to those members who occupy rooms on the third floor above the dome of the library if there were a fire in the library? Much of the material in the library is very flammable and it would bum quickly. What would happen if a member did not know within a few seconds that there was a fire in the building? He or she may not get out of this place alive. Other workplaces in Victoria would not allow workers to be in such danger. I wonder about the fire precautions in this place. Are they adequate? Does Parliament House have adequate sprinkler and alarm systems?

This magnificent building was built in the 1850s, 20 years after Victoria was founded. The people in the state at that time were proud of their state and believed that the people who served them in Parliament served a valuable part of community life. They were important to the way this state was governed. They were and still are proud of this building, but its facilities must be improved so that it can operate well.

The personal security of members should be attended to. My office is directly above the chair in which the President sits - I can see it from where I am standing now. I must travel along a narrow gallery to get to it. That is not an easy trip if I am carrying books or anything of that nature. I have to be careful as I open the door to try not to fall over the steps. That is not an easy thing to do. If I come in at night - and I am often here at 9 or 10 o'clock when the house is not sitting - the lights are not on in this chamber and there is virtually no light at all as I walk to my office. In the other passages there are virtually no lights either. The place does not need to be lit up like the Titanic before it went down but

some form of safety lighting should be installed, even if it is somewhat dim, so that we can see our way around the place. I should not have to go in search of switches to turn on lights so that I can find my way to my office. That is an elementary safety matter that should be dealt with.

Members also need other basic facilities. I speak from the perspective of a country member and I am sure that those who live in the city or the outer suburbs do not face the same problems that other country members and I face. I do not want to grizzle because I live further away from town, but some of the most important work members do is on committees, both all-party committees and parliamentary party committees of the government and the opposition, and the meetings are held in Melbourne. It is on those committees that many of the decisions are hammered into shape before presentation to Parliament. It is difficult enough to organise a group of six or nine people to get together without some of them having to travel 3 or 4 hours to get to Melbourne so that the meeting can start and then for those members to travel another 3 or 4 hours to get home afterwards. Many people would say that a member of Parliament should spend his or her time here at Parliament House and in Melbourne. That is fine for one or two days a week when the house is not sitting. However, members need to contact their electorates not only to ensure their re-election but also to see that the health of their communities is being attended to. I note that Mr Hallam is nodding in agreement with me, and his responsibilities would be even greater as he is a minister. Individuals and organisations need to meet with their local members of Parliament to inform them of their problems. Some of us even want to go home occasionally.

Hon. R. M. Hallam - Just occasionally!

Hon. D. M. EVANS - Often country members are faced with the requirement to be here to meet the needs of other members of Parliament living in Melbourne. A simple thing that we could use, which is already available in half of the schools in the state, is teleconferencing facilities so that members can stay in their offices in Hamilton, Horsham, Bairnsdale, Ballarat, Bendigo, Morwell, Wodonga or Frankston and take part in those meetings. I have used teleconferencing facilities before, just as schools do to teach languages. Why in the name of heaven can't we do that in Parliament? But Parliament House does not have those facilities. We need that sort of facility so that we can make more effective use of our time. Perhaps that is what Ms Kokocinski

was referring to when she said we needed to make use of technology so that we can work more effectively.

Each of us has a responsibility in dealing with those matters. It does not help if we use the facilities for members of Parliament as a means of beating each other over the heads. I hope I never have to do that, but a bipartisan understanding is needed to provide those facilities. If they were provided we would all be better off and the people we work for would be much better served.

I accept that there should be no criticism of the people who serve us in Parliament. Ms Kokocinski thanked a number of people who work in this place. Hansard reporters work hard to record the debates of this house and the other place. Facilities in that department have been upgraded, as they should have been, to make the *Daily Hansard* available early the following morning rather than late the next day or, as used to be the case, a week later. They do a good job.

The Department of the Parliamentary Library works under some difficulty but the people there service members extremely well. I am not a librarian but I am sure that although the building is beautiful - I think it was last painted in 1957 or a little later, and perhaps it should be painted again because it is still a fine building - the library needs upgrading to meet the requirements of members for modern technology and instant service. As Ms Kokocinski stated, an upgrading would lead to a better service being provided to members.

I am not dissatisfied with my own electorate office. I have visited a number of electorate offices and many are better than mine. However, mine is functional and the equipment I have been able to assemble is adequate for my work. From time to time I upgrade the equipment in my office through the current system of electorate support allowances.

The people who work for me do an excellent job, as I am sure do those who work for other members. My secretary is the first contact the general public have with my office. If I did not have a good, understanding secretary my constituents would immediately be more ill at ease than they often already are when in strange surroundings and unsure of what the future holds as a result of the interview that is about to take place. It is important for honourable members to have staff members who will make constituents feel confident and at ease. Those people serve in the shopfronts of our offices

and they serve us well. I have no quarrel about what I am provided with in that area.

However, I am aware that expenditure on items such as telephone calls are greater for country members than for city members. Telephone calls and fax transmissions from north-eastern Victoria to other parts of Victoria are charged for on a time basis. It also takes longer to get mail and newspapers in the country than it does in Melbourne. The courier services that operate in Melbourne are not available in country areas and because deliveries cannot be achieved sooner than overnight or within a day it is often necessary to use a fax.

Regardless of who the member is or to what party he or she belongs there is an additional cost involved in servicing a country office. However, that is perhaps balanced by the fact that building rentals are often lower in country areas.

I regret that attacks have been made on the refreshment facilities provided in this building. I do not think the denigration of the refreshment facilities serves the Parliament well. I hope we never again hear discussion of the incorrect allegations of a 'silver service'. The meals served in this building are no better than the meals one would get as a counter meal in a country or city hotel. It does this Parliament no good to have services provided to it denigrated publicly. I trust that will not happen in future.

The bill provides an opportunity for members to comment on the issue of parliamentary expenditure. I have commented on those things I think should be improved. Until we attack and deal with the basic reason for appropriate facilities not being available I do not believe we will see any improvement. In one way or another and by some means or another the Parliament needs significant additional space. It is wrong that a member of this Parliament should have to share an office with two or three other members. A member who receives a telephone call from a constituent often has other members at his or her elbow and it would not inspire confidence in constituents who wish to discuss their personal business to hear that someone else was in the room and that their conversation could be overheard. Those people must wonder about that.

If a member is speaking to a constituent or a group of constituents it is often not possible for the member to take them into his or her office because there may be more than one person already in the

office. Members must apologise for blocking the doorway with four or five people when there is really only room for three people.

I have already referred to the safety aspects of the building. Until Parliament understands that the plans that were put forward in 1976 need to be upgraded and put into effect the facilities that are needed will not be available. Even if work were started tomorrow it is likely that new facilities would not be available during my term in Parliament.

I hope that shortly honourable members as a group of people with a degree of responsibility and respect for each other will understand that they need to deal with these matters. Members of Parliament may take a bit of flack from the public for a while but perhaps they should be more skilful in going about it and should use a little more imagination or lateral thinking in working out ways of providing additional space. For example, why do we not consider whether a private investor may be able to build on the Parliament House site, perhaps on the basis of a 30-year lease and the Parliament lease the building back from that investor?

Hon. B. E. Davidson - It could be done on the build, own, operate and transfer (BOOT) principle.

Hon. D. M. EVANS - Why not? If that were done under the direction of the Parliament and perhaps on the basis that the building would itself pass over with or without cost at the end of a specified period, and a period of 30 years occurs immediately to me, it may be that the needed facilities, which need not be luxurious, could then be provided. Until someone takes that sort of notion and deals with the situation we will not get the facilities we need.

I hope my comments are seen as constructive and bipartisan and that the house takes notice of them. I am pleased that we have an opportunity today of debating a bill that gives Parliament some opportunity to control its own financial destiny. I support the bill.

Hon. B. E. DAVIDSON (Chelsea) - I rise to support the bill. I thank Mr Evans for making many of the points I intended to make and for making them probably better than I would have made them.

Hon. R. M. Hallam interjected.

Hon. B. E. DAVIDSON - I said 'probably' and honourable members will have to reserve their judgement on that. The tenor of my remarks will be along the line of remarks of previous speakers because I too think it is about time something was done about this building.

None of us comes to this with clean hands. One can look to Labor's term in government and ask why things were not done then. One can look to the 27 years prior to that and ask why it was not done in that period. We could have a slanging match but I do not think that would be in the best interests of the Parliament or of the people of Victoria.

It would be all right for me to say that the only reason this debate is happening is that we can camouflage expenditure going on down the road and that sort of thing. We could all make those sorts of points and have a lot of fun, but that is not my reason for speaking today and I do not intend to do that.

The Parliament House building contains two magnificent chambers and some of its anterooms are beyond compare. As previous speakers have said, the building was constructed in the 1850s and the north and south wings were never completed. The Parliament has been left without adequate facilities with which to perform its work.

Hon. R. M. Hallam interjected.

Hon. B. E. DAVIDSON - The Minister for Regional Development interjects that there is never a right time to spend money on parliamentary facilities because it is always treated somewhat less than respectfully by the press and is portrayed as parliamentarians looking after themselves. I make it absolutely clear that I think Mr Evans was right when he said that most of us would not be here when any improvements were completed, so the argument could not be advanced that we were doing it for our own benefit and were somehow looking after ourselves. That is not what this is about.

I do not think there is any argument that unless something is done immediately the building will begin to fall down around our ears. It is an old building which is well put together and which has served Victoria well, but it is now also inadequate. It is not simply a matter of repairing the building, it is a matter of when. Something is not done this year the same argument will arise next year and the year after that, but sooner or later it will have to be done.

As Mr Evans mentioned in his contribution, other methods of financing capital works are now available. It is possible to finance repairs to the building under the system he mentioned rather than having to find vast amounts of capital works money to upgrade the facilities of Parliament. The two wings that were never built could be built in a modern form. The financial constraints may not be as hard to overcome as they have been in the past. If people are prepared to appreciate what a magnificent building this is, the sooner we get on with the job of upgrading its facilities the better off we will be.

I am fortunate enough to be a member of the Road Safety Committee, which a fortnight ago visited Canberra, Sydney and Brisbane to examine the effects of camera offences on the demerit point system. The committee was fortunate enough to visit the Parliaments in each of those states and took the opportunity to look closely at the facilities. We were not comparing apples with apples or pears with pears, but one can say that staff and members of other Parliaments have much better access to facilities to do their jobs on a daily basis than in Victoria. For example, Parliament House in Canberra has a magnificent resource library. Each member of Parliament has an on-line computer system in his or her office which is linked to the library and which is updated hourly. Members know what is going on in the chambers through broadcasts televised in all rooms throughout the building. They need only access the library's computer to ask for research facilities and they are immediately available.

That cannot be done in this building because there is not the wiring capacity to do it. The technology is simple and it is now necessary. The Victorian Parliament does not have the staff that is available in Canberra, but it is necessary for members to access such information. Canberra had a temporary Parliament House which had to be aborted and replaced by a new building. A lot of work will have to be done on this Parliament House.

The library staff in this building are very obliging and work hard. Earlier this week I went to the library and asked for a managerial prerogative, and the research staff were happy to access the New Zealand and Canberra libraries to obtain that material. They could provide me with the information within a week. I suspect that had I been in Canberra and asked for the same research I would probably have received it within a day. I am not criticising the library staff in Victoria because they

go to inordinate lengths to do what is required of them.

The committee also held hearings at Parliament House in New South Wales. Behind the actual chambers in that building are seven underground floors and a number of floors above ground. The committee was able to take evidence in a room that was electronically equipped. We could have had evidence given by video, although evidence was given by overhead projection equipment. We could have made use of all the telephones that were around the meeting room and so on.

This Parliament does not have similar facilities and the meeting rooms are small. There is no access to the sort of meeting facilities which are common in most hotels and function centres. It does not make our lives any easier. We have to arrange meetings in small rooms that are not adequate. Members of Parliament are not generating the amount of work they should simply because the facilities are not available. It is not because they cannot do it; it is because the facilities are not available.

I was concerned when Mr Evans spoke about the wiring and other safety aspects of this building. When I was a lot younger I worked in the Commonwealth Aircraft Corporation administrative block. The building was built under a temporary permit during the war. It was four-storeys high and had only one stairway for access; there were no lifts and no fire escape. As the local union representative I could get anything I wanted by mentioning the lack of a fire escape. I could trade off safety aspects for whatever else I wanted. I suspect Parliament House is almost as bad as that temporary building.

We must look after, if not ourselves, the staff who work in this building. We all know what the building is like. If a disaster happens it is no good us saying, 'We didn't know it would happen, it is not our fault', because the responsibility is on all of us.

We must set in train what needs to be done to remedy the occupational health and safety aspects of this building. For example, there is no cinema where one can show the documentaries that one may need to. This building was ideally suited for the time it was built, but it is not ideally suited as a workplace for the end of this century and into the next.

Most of us have spoken about the lack of office facilities, the lack of places to bring our constituents and so on; none of us will argue about that. I have had discussions with many people in this building

from all political persuasions and there is a will to do something about it. Members of the Road Safety Committee are not trying to score political points on this subject because we agree something must be done. We all realise we have a job to do and we do it with the best will in the world.

Everybody in the building must work under poor conditions. The staff make it happen for us. As members of Parliament we have the privilege of being able to complain in this place, but it is the staff who have to do the work that makes our job easier.

I urge the government to get on with the refurbishing and rebuilding task at hand. I urge honourable members on my side of the chamber to resist the temptation to make too much political mileage out of it so that the job can get done this time.

Hon. R. S. de FEGELY (Ballarat) - I support the bill. Whenever the subject of parliamentary appropriation is raised and whenever honourable members are debating about Parliament House, there is always a great deal of accord among honourable members from both sides of the house. Genuine comments have been made by members from both sides about their concern for the future of this place, the work that needs to be done, the neglect that has occurred over a long period and the need to complete the building, an initiative successive governments have put aside because it is too difficult.

Ms Kokocinski rightly said that most governments put the matter aside because it is not popular with the general community. Anything that involves the spending of money in this place is unfortunately viewed by the average citizen to be a complete waste of money and an indulgence for the benefit of members of Parliament. The majority of the community seem to perceive that they would be better off without members of Parliament. But this place must go on, and I sincerely hope it will continue in the form that has existed over its lengthy history. The magnificent building was erected largely from money generated in the electorate I represent. Back in 1856 when these chambers were built -

Hon. B. W. Mier - I was wondering where you got the money from.

Hon. R. S. de FEGELY - Unfortunately not too much of it has rubbed off on me, Mr Mier! Nevertheless, at present we do not have as much

money as we did in the 1850s. It was a magnificent achievement to erect this building, and it is a shame that it was never finished. Parliamentarians often lose sight of the fact - and the public needs to be convinced about it - that the completion of the necessary work on the building would create wonderful employment opportunities. Now is probably as good a time as any to allocate funds for the completion of Parliament House. All honourable members have the current job crisis uppermost in their minds. In my view such a project could be sold to the people because it would provide opportunities for employment.

Honourable members have already discussed the difficulties under which Parliament House staff work. Honourable members suffer from a lack of privacy in their offices, which is of great concern because it makes it more difficult for them to do their work. The safety angles were also mentioned by a number of honourable members. Although I have never occupied an office over the dome, I can assure the house that I would hate to have one there at present. I would find getting up there very difficult.

**The PRESIDENT -** We used to call it by-election corner!

**Hon. R. S. de FEGELY -** I think that is a very appropriate name! When I have meetings in room 93, I often look out the window at the safety ladder and think, 'Heavens above, if I had to climb out there I wouldn't want many following me and trying to get out quickly'. Frankly, it is a disgrace. The majority of the public do not see the state of the building. Parliament House staff must work under difficult circumstances. The Hansard staff work in the rather primitive ground-floor area. And our wonderful temporary-permanent offices out in Siberia leave a great deal to be desired.

Generally speaking, I am sure the government will put its mind towards taking the plunge. Victoria has a Premier who is prepared to take plunges on many issues. I hope he has the fortitude to tackle the refurbishment of Parliament House some time down the track as one of those major projects.

Ms Kokocinski contributed some genuine thoughts, to which I made interjections at the time. It does parliamentarians no good to denigrate Parliament House. The comments made last year and the year before about such things as silver service and so on reinforce the anti-Parliament sentiment in the community's mind. It is a shame that those types of

comments are used. Mr Davidson said he hoped all parliamentarians could desist from making the types of comments that give people the idea that this is some sort of privileged place. I do not mind people telling the truth, but when they try to build something up for publicity purposes, that is something the Parliament can very much do without. I hope all honourable members share the same interest in this place being well run, well managed, becoming a safe place to work in and being a place in which we all enjoy working. Honourable members need to have privacy and facilities. I hope honourable members will think twice before making those types of comments in future.

It was suggested that Victoria is miles behind other Parliaments in Australia. I have been fortunate enough to visit a number of them, and Mr Davidson mentioned New South Wales. The refurbishment in that Parliament is absolutely first-class. The working conditions are wonderful. The New South Wales Parliament House facade has been maintained, while inside honourable members have everything they could possibly want. I am sure all honourable members in this place would work a great deal better if they were given the same opportunities.

I support the legislation. I believe improvements need to be made to the allocation in the future to enable us to do more with this building. I believe the allocations can be sold to the public if done correctly. Once money becomes available to the state, the government could put forward plans for the completion of this magnificent building. I have much pleasure in supporting the legislation.

Motion agreed to.

Read second time.

*Third reading*

For Hon. **R. M. HALLAM** (Minister for Regional Development), Hon. R. I. Knowles (Minister for Housing) - By leave, I move:

**That this bill be now read a third time.**

In doing so, I thank all honourable members who have contributed. There was a great deal of bipartisan support, not only for the bill but also for a number of challenges that parliamentarians collectively face when trying to ensure that the building is brought up to a standard which is appropriate for the public of this state and which

will enable honourable members to perform their duties more effectively. It will provide a much better environment for those who are not members of parliament but who work in the building and provide services.

The PRESIDENT - And visitors.

Hon. R. I. KNOWLES - As you correctly say, Mr President, it will provide a better environment for visitors. I think you have made a speech on this bill through quite a number of interjections today, Mr President!

Motion agreed to.

Read third time.

Passed remaining stages.

## APPROPRIATION (INTERIM 1994-95) BILL

### *Second reading*

Debate resumed from 24 May; motion of Hon. R. M. HALLAM (Minister for Regional Development).

Hon. D. E. HENSHAW (Geelong) - The Appropriation (Interim 1994-95) Bill, the autumn economic statement and the previous budget bills are indicative of the coalition's approach to government. Although it may be said they have some merit as a fiscal statement, there are many things in them with which I disagree. The essence of good government involves the balancing of social, financial and environmental matters. Putting it another way, good government includes taking full account of the consequences of implementing fiscal policies.

The coalition has not always been careful about taking into account the implications of its fiscal policies - and I shall cite some well-known examples. Firstly, the government decided to downsize public sector employment, as a result of which some 40 000 positions will have been removed from the public sector by next August. Although a case for that can be argued on fiscal grounds, no account has been taken of the social consequences of and circumstances in which the decision has been made. The decision to downsize the public sector was made during an economic recession and overlooked the social consequences let alone conventional financial indicators. The decision

ignored the emotional stress to which employees were being subjected as well as the effects of the eventual withdrawal of their wages from the wider economy. Those people have added substantially to unemployment in this state

In addition, the community has had to withstand the loss of services. In some areas the effects of those losses cannot be denied. I shall return to that when referring to the effects of the loss of services, particularly in education. The extent of the downsizing has resulted in social trauma. As I said during the last budget debate, the government may well have achieved the same result, which it claims is desirable, with far less pain and trauma through natural attrition. That would have avoided the record increase in public sector debt because of the need to fund voluntary departure packages.

The second example is that well-known symbol of the government, the \$100 home tax. Again the government did not take fair account of the social consequences of the application of that tax. It was a fast way of raising some \$160 million, but the government did not consider the affront it caused the community, the extent to which it exacerbated the poverty of some people and the fact that it took money out of the general economy. People could have spent the \$100 on goods and services that would have boosted the economy during the recession. So there are good arguments against it and only middling arguments in favour of it.

Because the budget was in credit the government did not have the same reason for continuing the tax. There is no reason to retain the tax in the coming budget. Despite his indication that it will be retained, I urge the Treasurer to remove it and to take greater account of the consequences of his fiscal policies. The community has been burdened with a host of imposts because of the government's ideologically driven policies - higher taxes and charges, decreased kindergarten funding, inadequate funding of child protection services, cutbacks in funding for the disabled, cutbacks in the public transport system and a reduction in services for new mothers, as well as many others.

Nevertheless I seek to take a positive approach. I ask the government to pay more attention to investing in areas that will improve the economic health of the Victorian community. Since the beginning of the recession in 1991, the growth in employment has decreased. Indeed, since the coalition gained office, and in particular since the latter part of last year, employment growth in the rest of Australia has far

exceeded growth in Victoria. We need to consider the investment that is required to reverse that trend.

It appears to many that the government's industrial relations legislation is an attempt to reduce wages, particularly those of unskilled workers, both men and women. It is difficult to escape that impression because it has happened in many instances. The government has sought to implement a low-wage cost structure ostensibly to make Victorian industry more competitive with Third World countries. The government should be seeking to make the economy more attractive to and more competitive with First World countries. I shall quote from an article written by Kenneth Davidson in the *Age* of 28 April. In commenting on the Treasurer's economic statement he said:

There is a danger that the cyclical decline in Victoria's economy could become long term unless Victoria's elites across the business, intellectual, industrial and political spectrum can reach some form of consensus about an industrial strategy, which can retain in Victoria the brain industries on which Victoria's high living standards have always depended.

There is merit in that argument. We should be seeking to make Victoria attractive to what Robert Reich has termed the symbolic analyst. I shall take a minute to explain what is meant by that term, because it is important. Robert Reich is an economic guru in the United States of America who has written a book called *The Work of Nations*, in which he points out that traditional economic productive activity can be divided into two categories.

The first category is service provision, which Robert Reich defines as face-to-face service. The second category is economic production. He points out that economic production, which is the manufacture or production of tradeable goods, has come to involve companies which produce, and employ labour; particularly during this century, it has been led by large, monolithic national institutions such as General Motors-Holden's, IBM and so on.

It is also significant that the work force in that category - factory workers and the like - is sharing less and less in the benefits of economic production. In other words, their wages, compared with the gross product, are decreasing. That has been the case over the past 10 or 20 years.

There has been a rise in another category of work where, instead of having a large number of companies, the beneficiaries of this work tend to be

individuals who work in loose, flexible networks. It involves, for example, many individuals who find and solve problems; individuals who act as brokers and find solutions in regard to the production of tradeable goods from those solutions; and individuals who are involved in marketing solutions. Therefore, the sorts of people working in this new category of work comprise, for example, scientists, engineers, entrepreneurs, lawyers, accountants and advertising experts.

These people, whom Robert Reich calls symbolic analysts, are gaining a greater share of our economic production. It is also a reality that these symbolic analysts - people might at one time have called them consultants - tend to congregate in groups or centres across the world. Probably the majority of them still operate in the United States of America, but the trend is spreading around the world and we certainly have some such centres in Australia. They operate in areas such as hydraulic or civil engineering, software development, telecommunications and the like.

I suggest the Victorian government should seek ways of investing so that the environment of Victoria is more attractive to symbolic analysts. These people like to get together in congenial environments near centres of expertise where there are artisans skilled in providing the services needed for their work. To a large extent we already have these in Victoria; we have a pleasant natural environment and a good cultural environment, and in Melbourne we have a number of research centres and centres of excellence, which would be conducive to attracting symbolic analysts.

However, the one thing that is rapidly disappearing as a consequence of this government's actions is a reservoir of well-educated people. The symbolic analysts need such a reservoir of people to provide them with the artisans and expertise, the intellectually knowledgeable people who could assist them and contribute to their work. We would also benefit from having such a reservoir of educated people because from such a group will come new symbolic analysts who will contribute to economic productivity.

Victoria is missing out because the government is actually reversing the situation in education; it is reducing resources to education, which is entirely the wrong direction for it to go. Rather, it should be investing in better all-round education and in programs that enable people to become well

rounded intellectually but, more importantly, people who have imagination and creativity.

There are techniques of tutoring and teaching that should be applied from an early age that will enhance the creativity, knowledge and problem-solving capacities of children. This would carry right throughout the population if only Victoria would invest in education rather than going in the reverse direction, as is currently the case. As class sizes are increasing the resources for major programs are decreasing and we are bound to produce a less well educated community as a result.

I contend that one of the worst aspects of this government is its reduction of education resources. It should adopt the reverse course and invest heavily in better education. It should aim to have a smaller reservoir of unskilled workers and a larger reservoir of highly skilled people to work in this new activity in this state.

Instead of investing in education and looking for the best, the present government seems to be trying to justify itself on averages; it talks about average class sizes compared with those of other states and average expenditure per student. It should be seeking the best rather than reducing education to the lowest common denominator.

Again, I refer to the article by Kenneth Davidson in the *Age* of 28 April in which he said about the government and its economic statement and fiscal policies:

The operation is a success, it is a pity the patient is dying.

Debate adjourned for Hon. D. R. WHITE (Doutta Galla) on motion of Hon. C. J. Hogg.

Debate adjourned until next day.

## MELBOURNE EXHIBITION CENTRE BILL

### *Second reading*

For Hon. HADDON STOREY (Minister for Tertiary Education and Training), Hon. R. I. Knowles (Minister for Housing) - I move:

That this bill be now read a second time.

The exhibition industry is a growth industry with direct and indirect benefits to Victoria of more than

\$40 million per annum and to Australia of more than \$200 million per annum. It is also extremely competitive, with modern centres in Sydney, Brisbane, Singapore and Hong Kong vying for an increased market share.

A new exhibition centre to be located at Southbank was announced by this government as part of the Agenda 21 program. The overall project delivery time for the new centre is currently scheduled for a late 1995 or early 1996 completion. As the construction of the exhibition centre is about to commence, an ownership entity needs to be put in place quickly to ensure the project is managed through to completion by the organisation that will be accountable for the performance of the exhibition centre. Early establishment of the ownership entity will enable its participation in the development and establishment of the management and marketing arrangements. These arrangements will have a major impact on the performance of the centre. The objectives of the Victorian government for this centre are:

- to promote the international competitiveness and strengths of Victorian industry and firms; and

- ensure that Melbourne is the nation's leading city of exhibitions and trade shows.

The government aims to create and maintain Australia's largest exhibition centre and provide an international standard exhibition facility which can attract both important Australian and international exhibitions and trade shows to Melbourne.

It should be stressed that the primary purpose of the bill is to put in place an ownership vehicle. It is the government's intention that as a priority the trust will set in train processes for the management of the centre by the private sector. We are therefore taking the first step, albeit an important one.

The trust will be small in its membership, numbering three to five people selected for their commercial expertise. It will be provided with all the powers necessary to carry out its functions, including the power to acquire land by agreement, enter into arrangements with other public sector agencies, close roads and so on - in other words, such powers as may facilitate the construction, operation and maintenance of the exhibition centre. It will also be empowered to enter into agreements with the private sector for the management and operation of the centre.

Certain powers under the Borrowing and Investment Powers Act have been conferred on the trust. In particular, clause 40 enables the trust to enter into financial arrangements to manage the interest rate on any debt the trust may incur, to enter into financing leases and to invest its funds. The Treasurer will have a discretion to provide a guarantee.

The bill establishes an area of land within which the Exhibition Centre Trust may operate. Since the plans for the centre have not been finalised, the bill delineates the area within which the centre may be built and it is shown in schedule 1. Honourable members will notice that this area includes the maritime museum, which is permanently reserved land. Some demolition works will be required on the reserve. The bill therefore enables these works to be undertaken subject to the consent of the minister responsible for the Crown Land (Reserves) Act and the committee of management. It does not, however, otherwise affect the reserve or the responsibility of the committee of management.

Upon completion of construction the land required for the centre will be vested in the trust. It is likely a portion of the reserve will be required for construction of the centre, and agreement with the committee of management on the new boundary is nearing completion. This will, of course, require further legislation in accordance with the Crown Land (Reserves) Act before any of this reserved land could be vested in the trust.

It should be pointed out also that all private land required for the construction of the exhibition centre has been acquired.

In conclusion, I must emphasise the significance of the new exhibition centre to the revival of Victorian trade and industry. This **will be** a focus for our manufacturing, our science and technology, our research and development.

The centre will be a showcase which re-establishes Victoria as an industrial powerhouse, recognised internationally.

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section by this bill. Clause 35 provides that it is the intention of that clause to alter or vary section 85 of the Constitution Act. The provision precludes the Supreme Court from entertaining actions for compensation where the bill provides

that no compensation is payable in respect to actions taken under clauses 21 and 24 of the bill.

Clauses 21 and 24 deal with road closures and the use of land reserved under the Crown Land (Reserves) Act 1978 respectively. The reasons for restricting the Supreme Court's jurisdiction in this way are to ensure that the Crown's ability to deal with this land as part of the exhibition centre project is not restricted by any claim which members of the public may have and which may arise from the previous dedication of the roads to the public or the nature of the reservations.

I commend the bill to the house.

**Debate adjourned on motion of Hon. D.R. WHITE (Doutta Galla).**

**Debate adjourned until next day.**

## ADJOURNMENT

Hon. R. I. **KNOWLES** (Minister for Housing) - I move:

**That the Council, at its rising, adjourn until 10.00 a.m tomorrow.**

It is the government's intention, with the agreement of the opposition, to debate tomorrow first the Vocational and Training (Amendment) Bill, the Public Prosecutions Bill and the Melbourne Exhibition Centre Bill, which has just been read a second time.

It is my understanding that the Legislative Assembly may also transmit some relatively small bills to this house. They will be debated with the agreement of - but only if we reach agreement with - the opposition.

It is the intention of both sides of the house to try and ensure that next week is a sensible week. There are a couple of major bills which I know honourable members on both sides of the house will want to debate fully, and I am confident that we will be able to allow that to occur and still have a sensible week of legislation.

I would like to thank Mrs Hogg and her colleagues; they have been helpful in facilitating the sensible passage of legislation through the house.

**Motion agreed to.**

## ADJOURNMENT

942

COUNCIL

Thursday, 26 May 1994

Hon. R. I. KNOWLES (Minister for Housing) - I move:

That the house do now adjourn.

### Local government recycling schemes

Hon. PAT POWER Oika J.i.ka)-1 direct a matter to the attention of the Minister for Local Government and seek his assistance in providing some clarification. During question time today the opposition sought the minister's view on the issue of recycling, and the Leader of the Government acted to prevent the minister from answering that question.

The PRESIDENT - Order! I regard that comment as a reflection on the Chair. The position is that the previous question on that issue was dealt with by the responsible minister. I point out that under the standing orders questions are to be directed to the minister who has the responsibility. I take exception to that remark, and I ask the honourable member to rephrase the issue he is now putting to the minister.

Hon. D.R. White-Recycle it!

Hon. PAT POWER - I withdraw. The municipalities that sought the opposition's assistance in obtaining comments from the minister have asked me to raise it again in the adjournment debate this evening with the specific intention of obtaining a comment from the minister. The minister would be aware that the issue of recycling has been very strongly supported across a number of municipalities in the community at large, and the spiralling costs have been causing great alarm. As an example I can provide the minister with information about Mordialloc and Chelsea councils, which are considering reducing their kerbside recycling because of these increasing costs. Mordialloc council advises me that collection costs for this financial year for recycling will be some \$38 000, but will rocket to \$90 000 by the close of the next financial year.

Chelsea council also advises that costs will be some \$60 000 for this financial year, but \$78 000 for the next. The South Eastern Refuse Disposal Group advises that the cost of recycling has been increased from an average of 10 cents to 16.5 cents per home per week. The minister would be aware that landfill costs are much lower - I understand \$20 a tonne - compared to recycling costs of \$60 a tonne.

The environmental officer at the Municipal Association of Victoria (MAV) said that virtually all councils are experiencing increased pressure as a consequence of these costs.

The minister would be aware that newspapers, some plastic bottles and aluminium cans are subject to the recycling program. The assistance of the Minister for Local Government is sought in this case because an article in the *Mordialloc-Chelsea News* of 18 May 1994 says:

Local government minister Roger Hallam suggested last week the state government should consider legislation to help councils.

The article quotes the minister as saying:

It's very clear that the simply process is not working.

I ask the minister to advise the house what action he is taking as Minister for Local Government to ensure that communities may continue to have access to municipal recycling schemes.

### Whittlesea Linkskill program

Hon. C. J. HOGG (Melbourne North) - I ask the Minister for Housing to direct to the attention of the Minister for Community Services in the other place the Linkskill service run by the Whittlesea District Adult Training Support Service (Whittlesea District ATSS), in particular, the premises rented in the Plenty Valley Skillshare centre.

The Linkskill program was developed in 1991 by the Whittlesea District ATSS specifically at the request of the former Community Services Victoria. The committee of management agreed to run the program provided it was government funded - the government had requested that it fund the program. That meant the department was to pay \$15 000 a year to Plenty Valley Skillshare for the rented premises.

In December 1993, Whittlesea District ATSS made contact with the Department of Health and Community Services to ascertain whether the unit-cost funding system would have any impact on the government's agreement to pay the rent. In the middle of February this year verbal advice was received suggesting that the committee of management would be responsible for the rent. In April, that advice was confirmed in writing.

The program has been designed around the needs of people who have left Kingsbury and Jaynefield training centres and who need an enormous amount of community support. They are being trained in what I regard as appropriate living skills. One example of the importance of the program concerns a client now living in a community residential unit who very rarely keeps his clothes on for more than a few minutes at a time. Obviously, without a great deal of training that person would find it impossible to live an appropriate life in the community. Everyone knows that type of behaviour can be modified but the appropriate training must be available and must be applied. Many of the clients display very challenging behaviour and are in desperate need of the ongoing benefits of the type of program I am describing.

Whittlesea District ATSS is already facing general cuts. It took on this program on a clear understanding that the rented premises would be paid for by the government. It seems unjust that the agreement be changed at this stage because any change will put at risk this very significant program.

I ask the minister to ask the Minister for Community Services in the other place to consider this specific case and to honour the agreement, which was never in question until the beginning of this year.

### Mountain District Community Health Centre

Hon. R. S. IVES (Eumemmerring) - I ask the Minister for Housing to direct to the attention of the Minister for Health in the other place the recent successful launch, which I attended, of a domestic violence service network conducted by the domestic violence worker at the Mountain District Community Health Centre.

The well-organised and well-conducted launch, held at Pakenham, showed that a wealth of competent, informed and influential men and women in the community are prepared to play a voluntary role in setting up and maintaining a domestic violence network. The general opinion, which was reinforced by the launch, is that there is a very real need for such a service network in Pakenham. Mrs Hogg, who attended the launch as the guest speaker, and I were very impressed with the event.

However, a shortfall in funding for the Mountain District Community Health Centre is putting at risk the continued employment of the domestic violence worker who will administer and service the

network. All concerned would be most appreciative if the Minister for Health would grant additional funds to the Mountain District Community Health Centre to allow the much-needed service to continue.

### Local government stamp duty

Hon. LICIA KOKOCINSKI (Melbourne West) - I direct to the attention of the Minister for Local Government the government's decision to make councils liable for motor registration and stamp duty, as outlined in the autumn economic statement. One council in my electorate - the Footscray council - has estimated that the increase will cost it \$30 000 next year. Unless the government compensates it for the change in policy, the council will have to choose between cutting back services or increasing rates. The decision of the government is consistent with its recent approach to such matters. One arm of government overtaxes the other to reap an economic benefit - and that is what I call a pertinent aside!

I understand the City of Footscray will protest to the minister although I have been asked to raise the matter with him today. I ask the minister about the imposition of the hidden tax. What will he do to ensure that my constituents in the City of Footscray are not disadvantaged by this change in government policy? If services are cut or if rate increases become necessary, not only in Footscray but in other municipalities, will the minister admit responsibility?

### Kilmore bypass

Hon. E. G. STONEY (Central Highlands) - I direct to the attention of the Minister for Roads and Ports the problem of heavy traffic in the main street of Kilmore, which is the oldest inland town in Victoria. It has a rather narrow main street, which is lined with historic buildings. Local residents are doing a great job in restoring the buildings to their former glory.

The main street - it was part of the old Hume Highway before the bypass road was constructed - now forms part of the Northern Highway, the main arterial road to Bendigo. The traffic through the town is very heavy and is increasing daily. The need for a bypass road to avoid Kilmore and Wallan is now obvious.

Hon. D.R. White - You needn't worry, it is not National Party territory.

Hon. E. G. STONEY - I remind Mr White that it is not too far from Tullamarine, which is also expanding! Recently a meeting of Kilmore and Heathcote residents was held at Heathcote. I refer to an article in the *Kilmore Free Press* of 18 May, which states:

A strong representation of Kilmore and Wallan residents were among those at the meeting held in Heathcote on Thursday evening.

Cr Margaret Hatton raised the bypass question ...

The meeting was told that:

... 7000 to 9000 vehicles were going through Kilmore each day and when the Hume Highway was bypassed in 1972, the figure was 7000 to 8000 each day.

The number of vehicles now travelling through Kilmore is greater than the number that travelled through when the main street was the Hume Highway. Cr Sam de Gabrielle has told me that the traffic is so bad during the holiday season that local residents must walk about 500 metres to cross the main street at the traffic lights, which the council was forced to install.

The Minister for Planning in the other place and I inspected the historic buildings at Kilmore. Later I attended a meeting in the Kilmore hall and found it difficult to hear what was being said.

*Opposition members interjecting.*

Hon. E. G. STONEY - The noise in the hall was three times worse than the din in this place! It may not have been as bad as the noise made by a convoy of Kenworth trucks - but they probably blow less smoke than you, Mr Power!

I suggest that while land is still available planning should commence for the construction of a bypass for Kilmore and Wallan. No doubt a bypass such as that will take some time to plan. Although funds are short, if plans for the bypass are drawn up now local residents will benefit in the years to come.

### Grand pm:

Hon. D. R. WHITE (Doutta Galla) - I direct to the attention of the Minister for Major Projects the grand prix. In his announcement today on Albert Park he gave no indication of the extent to which the government has examined the impact of grand prix noise on the residents of Albert Park, particularly in

sensitive areas such as the Montefiore Homes and on the inpatients of the Alfred Hospital.

I ask the minister to inform the house what steps the government has taken, in deciding to hold the grand prix at Albert Park - instead of, say, Docklands - to investigate the impact of the grand prix noise. What steps did it take, when planning the new track, to ameliorate the impact of the noise on the residents of Albert Park and the patients of the Montefiore Homes and the Alfred Hospital during the five days over which the grand prix will be run?

Clearly a major reason the grand prix was stopped in the late 1950s was the noise impact on local residents. Naturally, the noise impact of a grand prix in 1996 will be dramatically different and much greater.

To what extent has the minister undertaken community consultation on the problem of noise impact of the grand prix, to what extent has that been taken into account in the new design and what reassurance can he give to the local residents to allay their fears?

### Grand prix: Docklands

Hon. T. C. THEOPHANOUS (Uika Jika) - I direct the attention of the Minister for Conservation and Environment to his response in answer to a question without notice from me that he had ruled out the option of having the consultants he appointed to examine the Docklands area to determine if it was an appropriate site for a grand prix.

The minister would be aware that in order to be developed commercially, the Docklands needs a huge capital investment injection, and the grand prix could potentially provide that investment. The minister has provided no reason for not allowing the consultants to continue. However, on other occasions he has indicated that there is a contract with Mr Ecclestone for the Albert Park site and that the international body is keen to have a site close to the city with an appropriate backdrop.

As the Docklands offers panoramic views of the city skyline and the Westgate Bridge, has the potential for floating observation of the grand prix and is located close to the city and the casino, the area may be attractive to the international grand prix body. For those reasons the site would make sense, both on the commercial and environmental grounds.

On that basis, will the minister ask the consultants to examine the viability of the grand prix at the Docklands to determine whether the site may be acceptable as an alternative for the international body and, if it is not acceptable, tell the public why?

### Retail markets

Hon. P. R. HALL (Gippsland) - I direct the attention of the Minister for Regional Development to a matter that one of my constituents, Mr John Cribbes of Sale, has raised with both me and my colleague Mr Evans and asked for our assistance. The issue concerns the difficulty encountered by many manufacturers and promoters of products made in country Victoria, and the problems they have in gaining access to retail markets in the metropolitan area of Melbourne.

I am sure you would appreciate, Mr President, that the scale of operation of many small operators in country Victoria is insufficient for them to negotiate contracts with existing retail outlets in the Melbourne area; it is certainly insufficient for them to operate retail outlets in their own right. As many honourable members would be aware from their travels around country Victoria and visits to many craft-type shops, wonderful local homemade products are available that many Victorians would be most interested in.

I ask the minister whether the Department of Business and Employment will consider assisting the establishment of a retail outlet - perhaps on a cooperative basis-somewhere in the metropolitan area to which manufacturers of locally made goods in country Victoria might have access on an annual basis. One example that springs to mind is a stall at a Melbourne meat market, which offers a great range of craft items and so forth.

Will the minister investigate whether the Department of Business and Employment may help those people by assisting in the establishment of such a stall or retail outlet that could be accessed by a large number of producers of goods in country Victoria?

### Seaford foreshore

Hon. B. E. DAVIDSON (Chelsea) - I direct to the attention of the Minister for Conservation and Environment the ratification of the Seaford Foreshore Committee of Management. Recently I was approached by a member of the committee, who informed me that the Department of

Conservation and Natural Resources approved the committee nearly four months ago. The final papers have been prepared but still await the minister's signature. By any standard, four months is a fair period to wait for a signature - -

*Honourable members interjecting.*

Hon. B. E. DAVIDSON - The minister has time to pose for pictures for the front page of the *Melbourne Weekly*, yet the Seaford foreshore continues to decline. Clearly, the minister's procrastination is detrimental to the area concerned. The Seaford foreshore committee cannot function without the minister's final approval; the committee's budget of more than \$36 000 is effectively frozen. A number of projects in relation to habitat restoration and fauna preservation are ready to proceed, but after numerous approaches to the minister's office there is still no indication as to when final approval will be given. Furthermore, due to the fact it is still in some form of administrative limbo, the committee is unable to approach local government and the Open Space 2000 program for further financial support. I understand that numerous approaches have been made to the minister by members of the committee, the most recent being an urgent facsimile sent on Wednesday, 25May.

As a matter of priority, will the minister attend to this issue to enable the committee to get on with its work of preserving this most important natural resource.

### Mount Stirling

Hon. B. T. PULLEN (Melbourne) - I direct the attention of the Minister for Conservation and Environment to submissions made to me by members of the Mount Stirling Development Task Force to the effect that, having looked at the freedom of information material, they are now of the view that the tourism committee of cabinet, Tourism Victoria, the Alpine Resorts Commission, the Minister for Planning and the Department of Planning and Development have all acted in collusion and secrecy to hoodwink the public.

This task force comprises the local shire council and community environment groups. They say that they do not know how they can be satisfied that the environment effects statement (EES) can be objective given that the Minister for Planning is now on record as having indicated positive support. The department has indicated that it - -

Hon. M. A. Birrell - There is no way in the world he could write down what Mr Maclellan thinks!

Hon. B. T. PULLEN - Again the minister thinks this is more a laughing matter than a serious one. From the submission that I have received from these people, they are treating the matter seriously and they see that the commentary shown clearly in the FOI documents is that the department is prepared to act conveniently and to the best tactical advantage of the proposal, which makes the EES extremely non objective.

In light of that, will the minister reconsider the assertion so that the people of Mansfield - particularly those on the task force - are satisfied with the current process. They are currently outraged. Will the minister take up this matter with the Minister for Planning in the other place to seek a way to proceed that will show that the government is genuine by ruling out the types of development that would see downhill skiing and infrastructure development at Mount Stirling.

### Responses

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - Mr White referred to the grand prix at Albert Park. As I said at question time, the final plan was released today. As a result there will be an extensive series of meetings with interested parties and local residents. I shall be happy to ensure that the groups Mr White mentioned are extensively consulted.

Hon. D. R. White - Plus the Freemasons Nursing Home.

Hon. M. A. BIRRELL - Yes. It is reasonable that full consultation take place. South Melbourne Hellas Soccer Club is absolutely rapt about the whole thing. It is getting a great ground that is long overdue.

Hon. T. C. Theophanous - So it should!

Hon. M. A. BIRRELL - I agree with that. It is late for you to come in on that! They are delighted, and they know that it is this government which is providing it. Mr Theophanous mentioned Docklands as a potential grand prix site, but he will have to accept that Albert Park will be the site of the grand prix. It is a brilliant site and it is the home of international motor racing.

*Honourable members interjecting.*

Hon. M. A. BIRRELL - You do not understand the feelings of people like Sir Jack Brabham, Stirling Moss and Alan Jones. The opposition members would like to wipe from their memories the fact that Australian grand prix were held there.

Hon. D. R. White - We're talking about Albert Park, not Luna Park!

*Honourable members interjecting.*

The PRESIDENT - Order! It is very difficult for Hansard to record what the minister is saying when there is such caterwauling. I ask honourable members to remain silent.

Hon. M. A. BIRRELL - Mr Davidson referred to the Seaford Foreshore Committee of Management and an issue of which I have been aware for some time: whether that committee should have a ceiling on its membership. I hope the matter can be resolved.

Mr Pullen referred to Mount Stirling. I say again that there has been no conspiracy. It is impossible to have a more open process than a full and independent environment effects statement according to the legislation. It was conducted by the Department of Planning and Development, not by the Alpine Resorts Commission. The government has made no decision about Mount Stirling and has no preferred option. It is prepared to conduct a full and independent environment effects statement. The local community has input and has welcomed the environment effects statement, and I look forward to the outcome of the process when it reaches its conclusion.

Hon. W. R. BAXTER (Minister for Roads and Ports) - Mr Stoney raised the important prospect of identifying as soon as possible a bypass for Kilmore and, by implication, commencing construction as soon as funds permit. I agree with Mr Stoney that Kilmore is not only a historic town and therefore needs special consideration but is also a fast-developing area. Increasing numbers of people are choosing to live there and in the nearby town of Wallan and to travel to the metropolitan area for work.

Vehicle counts per day in the main street of Kilmore, which is now part of the Northern Highway, exceed the counts that were done 15 years ago when the former Hume Highway was bypassed around Kilmore to its present route. In some respects I foresaw the request from Mr Stoney: some time

ago I asked VicRoads to give me advice about what mechanism ought to be put in place now to facilitate community consultation and a planning investigation to identify an appropriate route. As has been suggested in some quarters, the Northern Highway could commence north of Kilmore rather than coming down through the town, and be extended to meet up with the Hume Freeway at the Clonbinane intersection. That option is worth exploring, and it may be not the only one.

The point raised by Mr Stoney is valid. It would be a useful exercise, and I shall have more work done on it and advise him in due course.

Hon. R. M. HALLAM (Minister for Local Government) - Again Mr Power brings to my attention recycling, which was the subject of a question earlier today. Recycling is extremely important and it has an enthusiastic supporter in local government. That is a statement of fact, and I wholeheartedly support the role of local government and its performance over recent years. Its promotion of recycling has been exemplary.

Mr Power mentioned the cost confronting two municipalities, and I have no reason to doubt it. In fact, I suspect that I could top it, given that this problem confronts not only the municipalities of Mordialloc and Chelsea but also municipalities across Victoria.

The government is committed to a dramatically reduced target of landfill towards 2000 and obviously understands the need to reduce the volume of refuse going to landfill. Of course local government has enormous interest in the outcome. Mr Power cites me as predicting that the government would need to consider legislation, given that the current situation is not working. That is an accurate quote. In my view it is a fact of life.

A number of issues need to be addressed so far as local government is concerned, all of which go to the commercial reality that recycled products are not winning an appropriate share of the market. We cannot walk away from the fact that some vested interests in the manufacturing sector are less than enthusiastic about recycled products winning the necessary share of the market. I think the government will be required to consider legislation to entice manufacturers to use recycled materials. There is nothing outlandish in that and I know it is supported by my colleague the Minister for Conservation and Environment, who has direct responsibility for recycling issues.

From the role of local government we must acknowledge that the current process is not working. We are facing a crisis situation. In the past few days I talked to the minister about how we might address the issue that is now starting to emerge. The minister answered the question from Ms Gould at question time because it is primarily his responsibility.

Hon. Pat Power - That wasn't the question.

Hon. R. M. HALLAM - All right.

Hon. Pat Power - Unless he speaks on behalf of the Minister for Local Government about local government issues.

Hon. R. M. HALLAM - I suspect that Mr Power is now reflecting on the rulings of the Chair. Ms Kokocinski raised with me the decision to remove the exemption of motor vehicle registration and stamp duty on motor vehicles in so far as it relates to local government and some of the state's water authorities and asked whether the government would compensate local government. The answer is no, not specifically in respect of registration or stamp duty. In replying to her request for an assurance that her constituents in Footscray will not be disadvantaged I make the point that the decision that was taken some time ago to remove the exemption for registration and the more recent decision to remove the exemption in respect of stamp duty, which was an anomaly, is part of a broader package of reform across local government.

I think the honourable member will find that when the reform package has been finalised her ratepayers will be very much advantaged by the outcome. Whatever policy decision is made, given that we are requiring councils to take a much more commercial view of the world I think it is appropriate and that it will have a good outcome for the ratepayers of Footscray and the state.

Mr Hall raised with me on behalf of a constituent the difficulty confronting country manufacturers and producers who wish to gain access to the metropolitan retail market. He put to me that perhaps the Office of Regional Development would consider taking a lead role in an investigation into how retail market access could be facilitated. It is a good idea that has great potential and I thank him. I will have the matter researched by my department and I will report back to him so that he may report to his constituent.

## ADJOURNMENT

948

COUNCIL..

Thursday, 26 May 1994

---

Hon. R. I. KNOWLES (Minister for Housing) - Mrs Hogg raised a matter for the Minister for Community Services regarding the difficulties that the Linkskill program has been experiencing in Whittlesea because of its incapacity to cover the rent on the property that it shares with the Plenty Valley Skillshare centre. I will refer the matter together with her concerns to the minister and ask him to respond to her directly.

Mr Ives raised with the Minister for Health the need for the Mountain District Community Health Centre

to have its funding maintained in order that it may continue the domestic violence campaign that has developed in the Pakenham area. I shall refer the matter to the Minister for Health and ask her to reply directly to Mr Ives.

Motion agreed to.

House adjourned 5.22 p.m.

Friday, 27 May 1994

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.03 a.m. and read the prayer.

## MELBOURNE WATER CORPORATION (AMENDMENT) BILL

*Introduction and first reading*

Received from Assembly.

Read first time for Hon. M. A. BIRRELL (Minister for Conservation and Environment) on motion of Hon. R. I. Knowles.

## OFFICE OF THE REGULATOR-GENERAL BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. R. M. HALLAM (Minister for Regional Development).

## FINANCIAL INSTITUTIONS (VICTORIA) (AMENDMENT) BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

## AUDIO QUALITY OF CHAMBER

The PRESIDENT - Order! Before calling the next item I advise the house that there have been some observations that the audio quality of this chamber seems to be deteriorating, mainly because the level of conversation around the chamber is increasing dramatically. That is not in anyone's interest. Some members are quiet speakers, and I ask them to speak up and project their voices more. We may be able to improve the position in the back galleries by providing additional speakers, but the major issue is to keep down the background level of noise. I ask all members to cooperate.

## ECONOMIC DEVELOPMENT COMMITTEE

Hon. R. I. KNOWLES (Minister for Housing) -  
By leave, I move:

That the Honourable B. W. Mier be discharged from attendance upon the Economic Development Committee.

Motion agreed to.

## OAD SAFETY COMMITTEE

Hon. R. I. KNOWLES (Minister for Housing) -  
By leave, I move:

That, contingent upon the discharge of Mr B. A. Mildenhall from the Road Safety Committee, the Honourable B. W. Mier be appointed to that committee.

Motion agreed to.

## PETITION

### Universal student unionism

Hon. C. J. HOGG (Melbourne North) presented a petition from certain citizens of Victoria praying that the Parliament protect universal student unionism at Victorian university campuses, and particularly that any infringement not be introduced to the principle under legislation purporting to enact any form of voluntary student unionism. (488 signatures)

Laid on table.

## PAPERS

Laid on table by Clerk:

Deakin University-Report, 1993, together with Statutes approved by the Governor in Council for the year 1993 (11 papers).

Infertility - Reports of the Standing Review and Advisory Committee for the years 1988 to 1993 (6 papers).

La Trobe University-Report, 1993, together with Statutes approved by the Governor in Council for the year 1993 (39 papers).

Melbourne University- Report, 1993 together with statutes approved by the Governor in Council for the year 1993 (7 papers).

Monash University - Report, 1993 together with Statutes approved by the Governor in Council for the year 1993 (36 papers).

Royal Melbourne Institute of Technology - Report, 1993.

A Statutory Rule under the Stock (Seller Liability and Declaration) Act 1993-No. 66

Swinburne University of Technology - Report, 1993.

Victoria University of Technology - Report, 1993.

Victorian College of Agriculture and Horticulture Limited - Report, 1993.

## MELBOURNE WATER CORPORATION (AMENDMENT) BILL

### *Second reading*

For Hon. M. A. BIRRELL (Minister for Conservation and Environment), Hon. R. I. Knowles (Minister for Housing) - I move:

That this bill be now read a second time.

This bill does two things by way of amendment to the Melbourne Water Corporation Act 1992:

it broadens the power of Melbourne Water Corporation to delegate; and

it gives the Treasurer power to direct Melbourne Water Corporation in relation to the exercise of its power of delegation.

Although simple in themselves, these amendments are part of the government's strategy of reviewing the form and functions of large state authorities.

The government has already announced its intention of separating Melbourne Parks and Waterways from Melbourne Water. The bill will facilitate that.

The Treasurer announced in his second-reading speech on the autumn economic statement 'the proposed separation of Melbourne Water Corporation into three regional businesses and a headworks business'. The bill will also facilitate that change.

Melbourne Water has already been restructured internally into operating divisions including a headworks division and three regional distribution bodies. The bill is designed to facilitate corporatisation of separate bodies reflecting this structure.

Further decisions will be required as to the allocation of other elements of the industry including sewage treatment works and associated assets.

This proposed disaggregation will result in separate businesses, each with full responsibility for service delivery, asset management, and financial viability. This will focus management resources on competition by comparison and thus stimulate efficiency. With management closer to the customer, further improvement in service performance and cost management can also be expected.

Melbourne Water Corporation will become the headworks business after disaggregation.

The management and performance monitoring of operating licences for water and sewerage within metropolitan Melbourne, will be enhanced with disaggregation compared to Melbourne Water Corporation remaining a vertically integrated single entity.

I commend the bill to the house.

Debate adjourned on motion of Hon. B. T. PULLEN (Melbourne).

Debate adjourned until next day.

## FINANCIAL INSTITUTIONS (VICTORIA) (AMENDMENT) BILL

### *Second reading*

Hon. HADDON STOREY (Minister for Tertiary Education and Training) - I move:

That this bill be now read a second time.

The bill amends the Financial Institutions (Victoria) Act 1992. The financial institutions code, which is contained in the Financial Institutions (Queensland) Act 1992, is a code that regulates the activities of building societies and credit unions in all the states and territories. The code is to be amended by the Financial Institutions Legislation (Amendment) Bill 1994, which is to be introduced into the Queensland

Parliament this session and is to take effect on 1 July 1994.

Certain consequential amendments are required to be made to the Victorian act that applies that national code in this state.

The most important amendment preserves the existing right of building societies in Victoria to take deposits from non-members. Not all other states preserved this right when the financial institutions code was enacted. However, in recognition of the existing tradition here, Victoria did so. The amendments to the financial institutions code are not directed at removing this right, and do so almost inadvertently. There has been no intention expressed by any party involved in the scheme that the position should be changed and building societies in Victoria have been continuing to operate on the basis that their right to take deposits from non-members will continue.

The other amendments all ensure that the position in Victoria with respect to building societies and credit unions is consistent with the position outlined in the financial institutions code.

I commend the bill to the house.

Debate adjourned on motion of Hon. B. T. PULLEN (Melbourne).

Debate adjourned until next day.

## OFFICE OF THE REGULATOR-GENERAL BILL

### *Second reading*

Hon. R. M. HALLAM (Minister for Local Government) - I move:

That this bill be now read a second time.

This bill is a vital part of the government's micro-economic reform program. We are determined to bring the state's economy to the forefront of efficiency and competitiveness.

The government is now well advanced in the planning of major reforms of Victorian industries which have been dominated for many years by vertically integrated government business enterprises (GBEs). These industries include the electricity, gas and water industries. The old monopolistic structure of these industries is no

longer appropriate in today's competitive environment. It is crucial that these services should be provided in the most cost-effective manner possible.

The pace of the government's reforms will quicken during 1994-95. Where appropriate, large GBEs will be disaggregated to encourage competition and efficiency, small and inefficient local bodies will be amalgamated, and GBEs will be corporatised and privatised.

This restructuring needs to be accompanied by an effective regulatory framework which ensures that market participants work and trade in a competitive manner. The regulatory body will promote and safeguard competition arising from the new industry arrangements. In the case of any remaining natural monopolies, it will ensure the simulation of competitive market conduct and prevent the misuse of monopoly power.

The government sees the establishment of the Office of the Regulator-General as necessary to ensure that the competitive benefits of the industry restructuring are passed on to household, commercial and industrial consumers. The office will do this by:

ensuring that industry participants adhere to market rules and licence conditions;

preventing misuse of market power;

facilitating entry to the regulated industries;

enforcing rules which will provide for non-discriminatory access to the natural monopoly components of the restructuring industries; and

regulating prices for specified goods and services.

The Office of the Regulator-General will be concerned with the economic regulation of a range of industries, including electricity, gas and water. The bill provides the flexibility to require the office to regulate other restructuring industries as well if that is considered appropriate at the time.

The fact that the office will be regulating more than one industry will underpin its independence. Together with its powers to make determinations, its independence from ministerial direction and the transparent nature of its processes, this will be vital

in ensuring the office's reputation for integrity in the community and with industry participants.

It is not the intention of this legislation in any way to detract from the joint commonwealth-state process for reform of competition policy begun by the Hilmer report. It is envisaged that economic regulation of the reforming industries could be transferred to the relevant commonwealth authorities when the Victorian reforms have been settled down. This will, however, happen only when the government is satisfied that the new national institutions concerned with competition policy and industry regulation are sufficiently developed to look after the interests of Victorian consumers and industries equally as well as the Victorian economic regulator.

Part 1 of the bill sets out the preliminaries, including the purpose of the act, which is to establish the office and to create an economic regulatory framework for regulated industries which promotes and safeguards competition and competitive market conduct. Part 1 also describes how the Governor in Council will declare which industries are to be regulated, which powers defined in legislation relating to regulated industries are to be exercised by the Office of the Regulator-General, and how the office would resolve any perceived conflict between the objectives in this legislation and the regulated industry's legislation. The act is to be interpreted and administered in accordance with statements of government policy.

Part 2 of the bill is concerned with the establishment of the Office of the Regulator-General, its objectives, functions, powers, its relationship with government, and staffing arrangements. The office will be a body corporate and the office will comprise one member appointed as the Regulator-General by the Governor in Council. The Regulator-General will be appointed for a five-year term. Removal of the Regulator-General from office would require a similar process as is required to remove the Auditor-General, involving a resolution by each house of the Parliament. The Regulator-General will be supported by Associate Regulators-General and by staff and consultants, where necessary.

The objectives of the office include to promote competitive market conduct; to prevent the misuse of market power; to facilitate market entry; to facilitate efficiency; to ensure that users and consumers benefit from competition and efficiency; and to further the objectives specified in legislation for the regulated industries.

The functions of the office include to advise the Minister on matters relating to economic regulation; and to conduct inquiries and report on matters relating to regulated industries. In addition, the bill provides for the office to undertake functions specified under legislation for regulated industries.

The office must perform its functions and exercise its powers in a manner which it considers best gives effect to any relevant statement of government policy. Such a statement would be published in the *Government Gazette* in the form of an Order made by the Governor in Council. The office has the broad power to do all things necessary to perform its functions or achieve its objectives.

An important aspect of the office will be its independence, and to this end the office is not to be subject to the direction or control of the minister in respect of any determination, report or inquiry.

Part 3 defines the Office of the Regulator-General's specific powers. It will have the power to determine prices for prescribed goods and services, taking into account a number of factors, including the costs of production, return on assets, interstate and international benchmarks, financial implications of the determination and factors specified in relevant legislation.

The office may also exercise powers conferred on it in relevant legislation relating to quality standards of supply, licensing arrangements and market conduct. Determinations are to be published in the *Government Gazette* and in newspapers and will not take effect until they are published.

Part 4 is concerned with the Office of the Regulator-General's inquiries and reports. The office may choose to conduct an inquiry, or it may be required to do so by the minister in written terms of reference. The office must publicise inquiries. Written submissions may be made, and at least one public hearing must be held in the case of each inquiry. The office has certain powers to require persons to provide information. Within 30 days of receiving the office's final report the minister must ensure that a copy is available for public inspection and then for public purchase.

Part 5 of the bill contains a number of general provisions, relating to enforcement, appeals, proceedings and other matters. Any appeals against a determination of the office must be on the grounds that there has been bias or a misinterpretation of facts, and appeals are to be heard by a panel of three

people selected by the minister from a pool of people who will be appointed by the Governor in Council. Appeals must be heard and decided within two weeks of the appeal being lodged.

I wish to make the following statement under section 85(5) of the Constitution Act 1975 of reasons why the bill alters or varies that section.

Clause 41 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 entertaining applications referred to in clauses 32(8) or 40.

Clause 32(8) excludes civil proceedings for damage that may be suffered in respect of providing information or documents to an inquiry. The reason for limiting the jurisdiction of the Supreme Court with respect to clause 32(8) is to give persons who wish to make statements or provide information a degree of confidence that their statements or information can be made without fear of litigation. This is likely to enhance the quality of the submissions and information made available to the office, and thus contribute to the quality of its reports.

Clause 40 of the bill provides that proceedings cannot be brought in respect of a determination or a provisional order or a final order except on the grounds that there was no power to make the determination or order or that the procedural requirements in relation to the making of the determination or order have not been complied with. The bill provides for an appeals panel and process associated with the office, and the commercial nature of the industries to be regulated requires that appeals be heard and decided as quickly as possible. It is considered that the appeals mechanism would satisfy the requirements for appellants to be given a fair hearing and for a considered decision on any appeals to be made.

Similarly it is necessary to ensure that where the Regulator-General makes orders to comply with determinations or with the terms of any licence they should operate without risk of questions challenging the substance of the order being referred to court except on the grounds mentioned, since direct and effective enforcement is essential to the scheme of economic regulation provided for in the bill.

The Office of the Regulator-General will play a very important role in reinforcing the government's economic reform objectives. The government is

determined to make this state's economy the most efficient and competitive in the nation, and an integral aspect of achieving this objective is to ensure that the benefits of microeconomic reform of the key service industries are passed on to users at all levels, including households, commercial premises and industrial customers.

The Office of the Regulator-General will fulfil this role very effectively.

I commend the bill to the house.

Debate adjourned for Hon. T. C. THEOPHANOUS Oika Jika) on motion of Hon. C. J. Hogg.

Debate adjourned until next day.

## VOCATIONAL EDUCATION AND TRAINING (AMENDMENT) BILL

*Second reading*

Hon. HADDON STOREY (Minister for Tertiary Education and Training) - I move:

*That this bill be now read a second time.*

The first main purpose of the bill is to reform governance and accountability mechanisms in the state training system. The second purpose is to implement the agreement entered into between commonwealth, state and territory governments to establish a national vocational education and training system.

This government is committed to improving the efficiency and accountability of the public sector. This bill advances that objective in the training sector.

The bill clarifies the respective roles and responsibilities of the minister and the State Training Board. The State Training Board will be restructured and its functions will be altered. In the government's view, the board should consist of a small, high-level group of individuals chosen for their expertise in industry and training rather than a large number of members selected as representatives or delegates of interest groups. The new board will have six members.

The board's primary role is to provide expert advice to government on vocational education and training. Its membership must reflect this. The government considers the key to a successful and effective

training system is the continuing development of a strong partnership with industry. In selecting board members, the government will ensure that the board includes members with significant industry experience. It is also important that the board will have a good understanding of TAFE college governance and operations. Therefore, in choosing board members, the government will consider views of key stakeholders in the state training system.

The bill implements in Victoria the agreement reached by federal and state governments to establish a national vocational education and training system. The Australian National Training Authority, or ANTA, will be authorised to perform its functions in Victoria pursuant to that agreement. Similar legislation has been passed or is being prepared in other states and territories.

The bill designates the State Training Board as Victoria's state training agency for the purposes of the ANTA agreement. The board will develop for ANTA a state training profile for Victoria. The profiles will set out training objectives for the state in accordance with the national training priorities approved by a council of state and federal training ministers. In performing its functions as a state training agency and in allocating training funds, the board will be subject to the direction of the state minister.

TAFE colleges in Victoria are among the most efficient in the country. The Victorian government's policy is to give colleges as much operational independence as is consistent with the demands of public accountability. In this way, colleges have more flexibility to meet their clients' needs and to compete in an open training market.

To this end, the bill restructures college councils. They will be reconstituted in line with current business practices. Councils will have fewer members but these members will be selected for their management and professional expertise. They will not be appointed as representatives of special interest groups. But persons with experience in industry, further education and local communities will be appointed because of their expertise in those areas.

The bill acknowledges that councils are responsible for the management of their colleges. In future, delegations to colleges must be issued to councils, not their staff. Councils can then determine whether to delegate the functions to their staff.

The bill alters the statutory functions of industry training boards. Following a recent review of industry training boards, it is proposed that, in future, their functions will be centred upon the development of quality training plans for their respective industry sectors. This is their most important function because the government and providers rely heavily on the advice of industry training boards in determining training priorities. Most ancillary functions of industry training boards will be removed from the legislation.

The bill also alters requirements for the composition of industry training boards. Although their membership will have to include persons from both employer and employee backgrounds, the bill deletes the rigid tripartism formula that requires all boards to have a balance of representatives of unions, employers' associations and government. In the government's view, members should be chosen for their expertise and ability to contribute, not as delegates of interest groups.

The bill makes a number of other reforms designed to improve the efficiency of the state training system. I will briefly outline some of the more significant reforms. First, the course accreditation and private provider registration systems will be brought into line with national standards agreed by state and federal governments. This will provide national consistency of training standards and improve the portability of qualifications between states. The bill also allows for the recognition of defence force training courses and institutions.

Secondly, the bill will allow community-based providers of further education courses, such as adult literacy courses, to be registered by the Adult, Community and Further Education Board to deliver accredited courses. Thirdly, the bill establishes a proper legislative framework for industry placements of TAFE students. This is designed to protect the interests of students, colleges and the host employers.

Fourthly, the bill will bring training legislation into line with the Employee Relations Act.

Finally, the bill will make a number of amendments to the administrative machinery provisions, such as the powers of inspectors, and will increase penalty levels in line with those in the Tertiary Education Act.

STATEMENT RELATING TO SECTION 85 OF THE CONSTITUTION ACT

1. Clause 6L 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 the proposed new section 91A.
2. Clause 59 of the bill proposes to insert a new section 91A in the Vocational Education and Training Act 1990 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 reason for prevention of the bringing of such an action is that 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.

The bill represents a major reform in the governance arrangements for the state training system. It will implement in this state national agreements relating to the national vocational education and training system. The bill will promote greater efficiency in the delivery of training in this state.

I commend the bill to the house.

Hon. C. J. HOGG (Melbourne North) - The Vocational Education (Amendment) Bill amends the Vocational Education and Training Act, which established the State Training Board. The act also established technical and further education colleges and self-governing institutions within the post-secondary education sector. It provided for the creation and composition of industry training boards and the registration of apprentices and work training programs. It also contained mechanisms for the processing of vocational education.

The second-reading speech on the Vocational Education and Training Bill on 17 May 1990 says:

The State Training Board will be tripartite in nature, drawing together persons with backgrounds in business and the union movement and government nominees....

The guiding principle in fixing the STB's composition has been that the board's membership must be determined by the backgrounds and expertise necessary for the board to be able to carry out its functions. The board is to be a decision-making body, not an assembly of representatives of interest groups.

The bill represents a substantial change in direction for the State Training Board and TAFE colleges. To be honest, members of the opposition wonder why. We realise the Office of Training and Further Education has reviewed the effectiveness of the existing arrangements and has consulted the boards and a number of interested groups. However, the opposition is not aware of any publicly released documents that make the case for this significant change in direction. The opposition believes the change in the tripartite nature of TAFE, which lies at the heart of the system, may well result in a reduction in the representation and roles of the legitimate stakeholders, unions and employers.

Members of the opposition see absolutely no need for such a change in direction. We think such a change may well be deleterious to the TAFE system. With that in mind, I shall move a reasoned amendment. I move:

That all the words after 'That' be omitted with the view of inserting in place thereof 'this bill be withdrawn and redrafted to reinstate the tripartite nature of the vocational education and training system which has served Victoria so well.'

I reiterate that the tripartite system has served Victoria very well. The role of the State Training Board will change from one of overseeing the position of state training to one of providing advice to the minister. All members of the board will be appointed by the Governor in Council. The bill will reduce the membership of the board from 15 to 6, with no provision for nominations from groups such as employer bodies, unions, TAFE council members and soon.

I shall give a brief description of the provisions of the bill. It implements the national agreement for the establishment of the Australian National Training

Authority (ANTA). It designates the State Training Board as the training agency for the purposes of national training priorities but puts the board under the specific direction and control of the minister in relation to this function. The bill requires the board to carry out its functions subject to the public sector management policy of the government. The State Training Board's responsibilities for performance agreements in TAFE colleges are also in accordance with the national statement - and under the specific direction of the minister.

The bill requires colleges to give the board at least four weeks notice before making representations to ANTA, and the board has the power to attach its views to any representations that may come from the colleges. It seems that the board's responsibility for increasing the participation of disadvantaged groups has been removed.

The creation and merger of TAFE colleges and councils will be the responsibility of the minister, not the State Training Board. The requirement for public notification has been removed; instead, the minister is required to consult the board. The bill also gives the minister powers relating to TAFE divisions of universities. It reduces the membership of TAFE councils to between 9 and 15, with no fewer than half being ministerial appointments. Currently each TAFE council comprises between 12 and 20 members, a quarter of whom can be nominated by the minister. The bill makes provision for elected teacher and student representatives, but there is no special position for a non-teaching staff representative. The director of the college, formerly an ex-officio member of the council, becomes a full member. The remaining members must have relevant experience or knowledge, but the requirement that colleges with designated-provider status have nominees from the relevant industry training boards has been removed.

At present, the act enables the State Training Board to appoint industry training boards and their members. The bill changes that by stipulating that the minister establish industry training boards after consultation with the State Training Board. The composition of the boards will also be altered. The requirements for gender and employee-employer balance have been replaced by the requirement for 'experience in the various aspects of the industry specified in the order, including backgrounds as employers and employees'.

The functions of the boards have been narrowed. The bill says they are to prepare training plans,

promote training, liaise with the national body and participate in accreditation. Some existing responsibilities are therefore removed, including the evaluation of training programs and equal opportunity strategies. Furthermore, the boards will no longer be consulted on matters such as declared vocations, the establishment of accreditation boards, the certification of vocations and the ratio of supervisors to trainees.

The bill provides for delegations to be made only to college councils, the Vocational Education and Training Accreditation Board and the industry training accreditation boards, which means that no delegations can be made directly to college staff. The bill requires course accreditation procedures and private-provider registration certificates to be brought into line with national standards and allows for community-based providers to be registered by the Adult, Community and Further Education Board. The bill recognises defence force training and provides a new framework for practical placement.

The bill is substantial and a number of opposition members want to contribute to the debate. But as I have said, the opposition does not understand the need for the change in direction that the bill entails. It has many features that the opposition supports wholeheartedly, but it is the change in direction that has occasioned the reasoned amendment.

The opposition understands that the minister sought advice on the changes from an internal review team. We understand that he was presented with two options - a small, non-representative, high level board with executive powers and accountable for the management and coordination of the system; or a larger, representative board with advisory powers. According to the memo given to the minister, the options reflected the clear alternatives advocated by those who were interviewed. However, the minister chose a different course that may well have the worst features of both options. We have a small board that has limited representation and only advisory powers. One obvious advantage of a representative board is that it brings with it diverse views and adds to the quality of advice the minister receives.

The weakness of the executive board model is that it contains the potential for conflict between the board and the field. The opposition believes it is a serious mistake to reduce the role of legitimate stakeholders in the training system; that the training system depends on extremely close cooperation between

industry - that is, employers and unions - and the training authorities.

In a letter of 11 May Jenny Newcombe, Deputy Vice President of the TAFE section of the Federated Teachers Union of Victoria, states:

The bill sets out to reform accountability arrangements but in fact by limiting the number of members and the composition of the various representative boards actually removes public accountability in the state training system.

We believe that all representative bodies, the industry training boards, the State Training Board and the college councils should be based on the tripartite consultative models which have worked so well in the past.

The State Training Board has been reduced to six members all appointed by the Governor in Council. The reduction in numbers and the composition of the board will drastically alter its representative/consultative nature.

The State Training Board now has an advisory role (to the minister) rather than a regulatory role. This will have the effect of taking decision-making power away from the colleges and boards and handing it back to the minister. We see this as something of a contradiction when the government's rhetoric is about devolution of power to colleges.

This area of vocational education and training has always been complicated. I recall - and I am sure Mr Power would recall - attending seminars in the 1970s where employers castigated secondary school teachers for their apparent lack of interest in training or vocational education within the secondary curricula. I have also attended many conferences comprised entirely of teachers where even the mention of vocational education has been pushed right off the agenda. I imagine Mr Hall has also attended seminars or conferences of that type and would understand exactly what I am saying about the way pressures are exerted on the school system. Of course those pressures vary from time to time, perhaps according to economic needs or the fashion or flow of the day.

I am sure that meetings where employers would reproach teachers or where teachers would say that vocational training has nothing to do with what they teach would not occur today. There is now a much more sensible and balanced understanding of vocational features within school life, and the

development of the Victorian certificate of education has assisted that process. It has been a slow but balanced and integrated process but it has worked.

Beyond the school system, however, we all acknowledge that the training system is now seen as the engine room of national change and growth. We know that our areas of need or strength have to be identified and that our training colleges and providers have to be quick and responsive to that identified need or have the capacity to enhance that identified strength. Our colleges take great pride in the areas where they intend to excel. I refer to the Broadmeadows College of TAFE in my electorate and Aerospace as a shining example of that.

It is absolutely correct that there is a strong national direction given to training. Although we may often choose to forget it, we are one country with different regional strengths, but we must seek to guard against the imbalance of shortage in one area and oversupply in another. I hope the Australian National Training Authority can guarantee a balanced and integrated approach, and certainly the agreement with ANTA clearly sets out Victoria's responsibilities. I am delighted to see the agreement codified in the way that it has been. I refer honourable members to part 3 of the bill which sets out the ANTA agreement. The proposed new section states:

#### 9A. Functions of the Board in relation to ANTA

- (1) The Board is the State training agency for Victoria under the National Statement.
- (2) The functions of the Board as the State training agency are -
  - (a) to provide data and advice to ANTA about the vocational education and training needs and priorities in Victoria and the fwdtding implications of those needs and priorities;
  - (b) to advise ANTA about -
    - (i) the development of vocational education and training policy; and
    - (ii) the development of a National Strategic Plan for vocational education and training; and
  - (c) to develop for ANTA a State Training Profile having regard to -
    - (i) the planning parameters set by the Ministerial Council referred to in the National Statement; and

- (ii) the National Strategic Plan referred to in that Statement;
  - (d) to ensure that vocational education and training in Victoria is managed and delivered having regard to the National Strategic Plan;
  - (e) to provide annual vocational education and training performance reports to ANTA;
  - (f) to perform any other function given to the Victorian State training agency under the National Statement.
- (3) In this section 'vocational education and training' includes adult, community and further education.

I am often fearful when all the big picture training scenes are being painted, especially when they are being done by national figures, that the smaller but equally important area of adult, community and further education may be squeezed out or marginalised. I urge the minister to keep an eye out for this sector for within it lies so many pathways for so many people, women in particular, older people, and people who left school early, because for many people this represents the vital first step, the opening up of a genuinely new vista. I have no doubt that the minister, advised as he is, will always keep an eye out for that sector.

Comments I have received from representatives of the Association of Neighbourhood Houses and Learning Centres indicate general satisfaction with the bill but I believe the following remarks should be noted as being significant. I do not regard them as controversial but they have weight:

With the formal establishment by this bill of the State Training Board as Victoria's state training agency in relation to the implementation of ANTA agreement, the intention of the current memorandum of understanding between the State Training Board and ACFE board should be maintained.

Since the new State Training Board will continue to have a major role in further education through its responsibilities for further education in TAFE colleges, it is important that one of its six members have appropriate further education knowledge or experience.

The ACFE act requires planning for ACFE provision in Victoria to be a joint responsibility of both the ACFE board and the State Training Board. While this is not precluded in the proposed bill neither is it specified. It is important that this joint responsibility continues as a priority.

I should note that notwithstanding my previous comments about the composition of TAFE college councils, I am pleased to see a special reference in clause 19 of the bill, which proposes to insert new section 28. Paragraph (e) states:

the remaining members must be persons with knowledge of or experience in the community or any industry served by the college or in adult, community and further education ...

I know the field is delighted with that reference. Part of this field is occupied by the Council of Adult Education, an amazing, vigorous, flexible institution capable of inspiring loyalty in quite diverse individuals and groups. In a letter of 16 May the director, Dr Shirley Randell, in referring to registration and accreditation, spoke of how the CAE begins to see its role here. She states:

Over the past 18 months the CAE has gained authority to deliver five TAFE statewide accredited programs to meet student demands, to remain competitive and to satisfy government expectations that all government institutions contribute to the national training reform agenda. The list of accredited courses is attached. Also included in the list is the Graduate Diploma in Community Education which the CAE conducts jointly with Monash University.

In 1983 the CAE Board established a Board of Studies which has commenced the process of accrediting courses conducted at the CAE. The four courses already accredited are the fashion industry certificate, the certificate in adult and community education, the computer training certificate and the advanced english study skills certificate.

The delivery of these programs and the planned shift in the CAE profile towards more accredited program delivery have had various impacts on CAE resources, but in every case managers and staff have recognised the necessity for more intensive management, clerical work, monitoring, curriculum expertise, moderation, assessment and general research.

I thought it was worth putting that on the public record because it is a strong response from a body that delivers a lot of community education in this state.

The registration of community providers of further education represents a substantial step towards quality control. The registration and accreditation provisions will achieve that quality control when they are brought substantially into line with the

national standards which are agreed to by state and federal governments. We must hope that there are sufficient resources to monitor those arrangements as quality of curriculum, teaching and course delivery cannot always be determined by the marketplace or by the marketplace philosophy; many students would simply not know whether an arrangement was unsatisfactory or not.

I acknowledge that there is a place for private provision of education and that a great deal of interesting private provision is already available. Honourable members would have noted the minister's answer to a question two days ago about automotive training at the Broadmeadows College of TAFE. It should also be noted that there has been an explosion in the number of private providers, and therefore it becomes even more important that quality control be exercised as much as possible. The opposition certainly hopes that these provisions achieve that.

I appreciate the practical placement agreements in part 13 of the bill and am pleased to see that they are clearly spelt out. The future for vocational education and training is almost unlimited. If we are to be a country that is highly skilled, responsive to national and international needs, proud of the areas where we are strong, resilient and competitive, and able to assist individuals who need extra training or retraining, we must strike a balance between the large objectives of TAFE and the smaller but no less significant one's of the community providers - that is, adult and further education centres.

Although new technology is not a feature of this legislation, it will influence enormously the way training is carried out and further education is delivered. I suspect that within 10 years we will hardly recognise this field. Some developments have already been made in flexible learning and already there are many ideas about workplace training incorporating significant components of technology. It is a bit chilling to think that in 10 years I might be able to take many courses without moving out of my front room, although on a cold day that is a comforting thought. In 10 years new technology will have changed the face of a great deal of education.

This bill is a rewrite of the original legislation, and I am sure many members of this house will see many rewrites of it over the coming years because provisions will have to be changed to take account of changing circumstances and modes of delivering education. The telematics approach has served country students well in secondary clusters and it is

also being used by TAFE. Three years ago I took part in teleconferencing at the Sunraysia College of TAFE. Although as a minister of the Crown I had never before been part of teleconferencing, I was pleased to be participating in that, and I suggest that TAFE colleges may well be ahead of the government in the use and provision of some of those facilities. There is an exciting future for TAFE, training and further education generally.

I am sure the government shares the opposition belief that the Victorian TAFE system is the best in Australia. That is probably so because it is the inheritor of a strong and dedicated technical school system. The government should be careful to maintain standards lest Victoria should begin to slip behind in this field. We must be careful to make certain that the right balances always prevail in the system.

I welcome this bill but I believe the elimination of the tripartite system is at worst a real mistake and at best an unnecessary risk. I urge the minister to consider the reasoned amendment because with that change the opposition could be enthusiastic about the bill. The opposition believes it is extremely important to have the tripartite structure, which was not rigid but which really worked. It should not be eliminated. This bill has many fine features and I acknowledge that there are many groups in the community who are pleased with its introduction. There are others who are concerned, as is the opposition, about changing something that did not really need to change. Perhaps it needed a little finetuning, but I certainly did not hear or read that the tripartite system needed to be eliminated. Although the opposition believes some features of the bill are good, it supports strongly the reasoned amendment, and I urge the minister to consider most seriously the reasoned amendment.

Hon. P. R. HALL (Gippsland) - I support the bill and, although I am pleased to hear that Mrs Hogg supports many of its features, I oppose her reasoned amendment. Both sides of the house should acknowledge that many areas of the legislation needed to be addressed. Although these amendments will bring about great improvements in the Victorian training system, the government rejects the notion that we must maintain a tripartite representational system on all levels of the state training system, both at the State Training Board level and college council and industry training levels.

The present system of governance and operation of vocational education in this state was established

under the Vocational Education and Training Act 1990. I recall well the debate on that legislation, which generally had the agreement of both sides of the house. Some areas of difficulty were pointed out during the course of that debate and we are revisiting some of those areas today. It is necessary, as Mrs Hogg said, to recognise that vocational training is ever changing and probably changing more than any other area of education. Governments need to look at the evolution of the training system and make changes to accommodate its changing needs.

That is what the government is doing in this bill. There is no doubt that vocational education is now playing a stronger role in the total education system in this state. It is true that more students today are opting for TAFE education than did so in the past. That is not just because of greater retention rates at secondary school level or because students see TAFE as a second best option to a university education; many students now believe vocational education is probably a more appropriate career path for them than formal tertiary education through a university.

It is pleasing that both the state and federal governments are endeavouring to raise the profile of vocational education across Australia. An excellent initiative introduced by the current government at the end of last year was the opportunity for school leavers for the first time to select TAFE courses alongside university courses on the tertiary selection form issued by the Victorian Tertiary Admission Committee (VTAC). That was an outstanding success - from memory, 25 per cent of first choices on those tertiary selection forms were for TAFE courses - and has helped raise the profile of TAFE colleges.

Other changes have occurred in recent years. The establishment of the Australian National Training Authority (ANTA) and a move towards competency-based training are two examples of recent changes to the training system that highlight the need for legislative change to accommodate those changes, which the bill does.

The bill makes changes to the State Training Board, TAFE college administration, industry training boards, accreditation and practical placements, and facilitates the implementation of a national agreement on vocational education. The bill is the government's response to the changing needs and expansion of the training system and the changes it introduces will improve that system.

The bill is detailed. It covers a wide range of areas and no single contributor in the debate could cover all of them. I will concentrate on the most significant areas of change. The first is the changes to the State Training Board. As Mrs Hogg mentioned, the most significant change is the change in the composition of the board. Currently the State Training Board comprises 15 members: the chairman, four representatives of employer groups, four representatives of trade union groups, three ministerial nominees, one person with experience on a TAFE college council, one person representing TAFE teachers and one person who is the chairperson of the council of further education.

Under the bill the board will comprise six members chosen by the government for their expertise rather than on a representational basis. It is important to note that the government is not in any way diluting the experience that is necessary on the board. In his second-reading speech the minister gave assurances that the new six-member board will still encompass a blend and diversity of experience. The minister stated that the government will ensure that the board includes members with significant industry experience. He also stated:

... in choosing board members, the government will consider views of key stakeholders in the state training system.

It is not the intention of the government to do away with a blend of experience on the State Training Board. It believes that can be achieved with a smaller board.

In her reasoned amendment Mrs Hogg addressed as her main objection the issue of changes in the composition of the State Training Board, college councils and industrial training boards which do away with the tripartite representative basis of those bodies. That was also the essence of the opposition's objection to the bill, although Mrs Hogg also mentioned that she had concerns about the dilution of some functions of the State Training Board.

If trade union groups, employer associations or anyone else had had strong objections to what the government is doing I should have thought the government would have heard from them. As convenor of the government's tertiary education and training committee, I have not received any representations from any employer, trade union or other interested groups objecting to the changes that are being made, and neither has the minister. I know Mrs Hogg quoted two letters she had received from

different people but those people did not come to the government and tell it what it was doing was wrong. I should have thought if they were serious in their opposition they would have endeavoured to at least speak directly to the government about that and put forward their cases. That has not been done.

In speaking to her proposed amendment, Mrs Hogg referred to the review of the State Training Board conducted last year and quoted several alternatives that were put forward. However, Mrs Hogg quoted selectively from the report and arguments developed in other parts of the report should also be taken into account.

For example, in one section the report to the minister states:

The composition and membership of the STB sought diversity of knowledge and experience on the board. However, this has handicapped its decision-making processes. From time to time board members have seen their representative role as primary, giving rise to difficulties with decisions affecting certain interest groups. The size of the STB has also militated against expeditious and effective decision-making. A number of those interviewed by the project team saw particular strengths in the composition of the newly created five-person ANTA board. A board with such a membership was seen to be reflective of contemporary developments in executive management arrangements in more progressive private and public sector organisations.

It is important to put on record that the opposition has not criticised the five-member composition of the ANTA board. The government is introducing a parallel situation in providing for a six-person State Training Board, together with a guarantee from the minister that a blend of experience will still be required and that he will ensure that members of the board have that blend of experience.

The arguments for the reasoned amendment are not strong. They do not seem to be put with a great deal of conviction. No representative group has ever made approaches to the government to suggest that what it is doing is terribly wrong, and there is ample evidence to support the changes the government is making.

Other changes in the role of the State Training Board concern the sorts of functions it will now undertake and, as mentioned by Mrs Hogg, the board will now focus more on providing advice to the government on training issues. However, the board will retain

some regulatory functions in relation to apprenticeship administration and course accreditation. The government is implementing what has in effect been the general practice over the past couple of years.

Under the principal act the State Training Board has an enormous number of functions to perform. Realistically, it cannot possibly fulfil all of them, which is why the Office of Training and Further Education has done much of the hands-on work. During the past couple of years the board has adopted more of an advisory role. The bill merely formalises the changes that have occurred in the functions of the State Training Board over several years.

Part 3 of the bill implements Victoria's obligations under the Australian National Training Authority agreement, which was agreed to by all states in July 1992. I am pleased that the opposition has no problem in supporting the provision. The Australian National Training Authority was formally established on 1 January this year, when the July 1992 commonwealth and state heads of government agreement to establish a national vocational education and training system came into effect - although ANTA had been operating under transitional arrangements during 1993.

The heads of government agreement required all states to pass legislation to implement the agreement, and part 3 fulfils that requirement. It authorises ANTA to perform its functions in Victoria under state law. It designates the State Training Board as Victoria's state training agency and defines the functions of the State Training Board under the national agreement.

I do not recall Mrs Hogg mentioning one other important matter implemented under the agreement. The bill requires the State Training Board to observe national standards on course accreditation and interstate portability of qualifications. The heads of government have been working towards that important advance for some time. I trust that that work will be completed in the near future.

It is inane to say that a registered and qualified Victorian plumber cannot operate in other states of Australia unless he qualifies under a rigid registration process. So long as the lowest common denominator does not become the standard, people will benefit from being able to move from one state to another, having gained one state qualification.

The move towards recognising national standards of vocational training is most welcome.

Part 6 of the bill deals with technical and further education colleges. The most significant change in that area is the composition of TAFE college councils. Under the current legislation college councils must comprise between 12 and 20 persons. The general practice has been that most college councils comprise somewhere between 17 and 20 persons. As is the case of the State Training Board, the membership prescriptions mean that college councils are representative. The bill reduces the size of each college council to between 9 and 15 members, which has the support of TAFE colleges. As evidence of that support I refer to the newsletter of the TAFE College Councils Association of Victoria of May 1994. In commenting on the bill, the article says:

Under section 28 of the bill provision is made for the establishment of a college council ranging in size from 9 to 15 members ...

The TCCAV is pleased with the flexibility that this now offers councils ...

By reducing the size of councils, the legislative changes bring colleges one step closer to a board of management model, whilst removing itself from the existing tripartite notion of ministry, industry and co-opted membership. However, whether the changes go far enough is open to debate. By making the staff, student and director positions mandatory, there is reduced scope for truly reflecting a board model as exists elsewhere in the public sector and local government

The TAFE College Councils Association of Victoria sees the changes to college council membership as progressive. The government has not gone as far as the TCCAV would have liked; but it is believed the directors and staff and student representatives still have something to offer TAFE college councils.

I shall pick up one other point made by Mrs Hogg. She welcomed the inclusion of staff members on councils but gave the impression that they would be teaching staff members. Given the wording of the bill, those people could be either teaching or non-teaching staff members. The membership changes are supported by TAFE college councils and the government is pleased to have their support.

Part 7 of the bill deals with industry training boards. As is the case with the State Training Board and the

college councils, the absolute tripartite nature of industry training boards will be removed. However, experience will remain an important ingredient of the industry training boards. That is clearly spelt out in clause 27(4), which states:

The minister must, in recommending members for appointment to a board established under section 38(1)(a), endeavour to ensure that the board has a membership of persons with experience in various aspects of the industry specified in the order including backgrounds as employers and employees.

Although the absolute requirement for tripartite representation on industry training boards no longer exists, the bill requires the minister to ensure that the boards comprise people with appropriate experience.

The other major change relates to the functions of the industry training boards. The amendments clarify and simplify the boards' roles by focusing primarily on the production of quality training plans and the promotion of industry training. I am sure most members will acknowledge that that should be the primary role of industry training boards. At present the functions of the industry training boards are so vast that I do not believe they could possibly be carried out effectively. That is why the bill focuses on that primary purpose.

The final part of the bill on which I will comment concerns the practical placement of TAFE college students. The issue was raised when the Vocational Education and Training Bill was debated in 1990. It is worth pointing out the problems in this area.

Not all courses are apprenticeship courses; many are full time and vocational. Some courses require periods of practical placement or work experience - and that tenn should be better understood. Under the principal act, if a TAFE student undertakes a practical placement the employer is required to meet all the conditions of employment such as minimum rates of pay and the WorkCover levy. That inhibited TAFE students finding suitable work experience placements. I remember speaking with then Minister for Education, the Honourable Joan Kirner, about that problem during the 1990 debate. Although there was general support for practical placements, more thought was needed to resolve some of the implications. Four years later the government is finally addressing the problem.

The amendments enable TAFE college councils to enter into agreements with employers to cover matters such as hours of work and appropriate rates

of pay. Also, employers will not be obliged to make extra WorkCover payments for TAFE students undertaking work experience, although, as is the case with secondary students who undertake work experience, they will be covered by WorkCover for any workplace accidents. Those changes will be of great benefit to TAFE students and will facilitate work experience placements. I am pleased that after four years that aspect of the legislation has finally been resolved.

As I said, there are a number of minor amendments to the legislation, but I have covered what I believe to be the most significant issues.

The bill will greatly improve Victoria's training system. There is no substantial evidence against the government's actions. Certainly none of the interest groups has argued that what the government is doing is wrong. I commend the bill to the house and oppose the reasoned amendment.

Hon. LICIA KOKOCINSKI (Melbourne West) - I support the reasoned amendment moved by Mrs Hogg. Mr Hall discussed the various components of the bill at great length so I will not engage in the tedious repetition of its facets. The opposition supports the thrust of the bill, but it does not support the destruction of the tripartite nature of the State Training Board and college councils.

Mr Hall spoke at length about the greater use and acceptance of technical and further education (TAFE) colleges as a pathway for the education and training of students and future workers. Their acceptance by the Victorian Tertiary Admissions Centre (VTAC) was a watershed in the marketing of TAFE courses and in an administrative way placed them on the same level as all other tertiary courses, which is commendable.

Mr Hall mentioned the reduction in the number of members on the State Training Board from 15 to 6. I cannot accept that a board comprising 15 members is unwieldy. Many councils and boards of management comprise 12 or even 20 members. The opposition is concerned that the reduction will adversely affect the depth and diversity that is guaranteed with 15 members, particularly as appointments to the State Training Board are Governor in Council appointments. The opposition is concerned also that by their very nature the appointments, which will go through the minister's office, will limit input into the state training system and that the government's various ideological philosophies will be reflected in them.

During debate in the other place some interesting arguments were submitted in support of the bill. One of them sounded like a line from *Star Wars*:

Let go of the past!

The DEPUTY PRESIDENT (Hon. D. M. Evans) - Order! Ms Kokocinski will be aware that under standing orders it is not possible to refer to debates in the other house during the current sessional period unless the reference is to a statement made in a newspaper. I think she is treading a thin line at this time.

Hon. LICIA KOKOCINSKI - I am trying to say that the arguments are not confined to a particular member of a particular party. However, I thank you for your ruling, Mr Deputy President.

The opposition is concerned about broad representation and the argument that to demand in legislative form that people be representative of a number of interests like the trade union movement or student and training organisations is to claim that everybody has a right to have input. All those groups have a right to sit at the table and to speak because of their considerable involvement with Victoria's successful training system. I am disturbed by the argument that nobody has a right to be a part of any administrative or coordinating body.

Many members of the government would suggest that only a small coterie of people has the right to influence the direction and implementation of policies. Anybody who talks about particular groups not having a right to show interest and have a say in how training policy is developed and implemented fails to understand the complexity of the education system. Victoria's state training system has been touted as the best in Australia. Even our two education ministers have acknowledged that the Victorian training system is the shining light. Why do they want to break it up? On the one hand the Minister for Tertiary Education and Training is saying that the Victorian training system is the best in Australia and on the other he is destroying one of the fundamental reasons it is the best in Australia: the parties who are directly affected are represented in the decision making and the implementation of the various policies.

The bill claims to be in line with the Australian National Training Authority (ANTA) agreement. That is only partially correct. I remind the minister that ANTA adopted the Victorian tripartite approach to training. It may not have done so in a

## VOCATIONAL EDUCATION AND TRAINING (AMENDMENT) BILL

964

COUNCIL

Friday, 27 May 1994

formalised, legislative sense as Victoria has done, but it retains the integrity of the tripartite system within its own board and on all levels of decision making. This government needs to consider carefully how it is falling into line with federal legislation.

I am disappointed that there is no commitment to addressing the disadvantaged and the need for a gender balance on the State Training Board.

One of the realities of vocational training is that we have pockets of cultural, economic and gender discrimination that place enormous barriers in front of people entering a variety of vocational fields. Most of the discrimination occurs at a cultural level in a variety of industries. There is a culture of exclusivity and discrimination, which makes it difficult, for example, for women to enter various occupations. The culture that deters women from entering a variety of occupations has not been broken down. Many occupations do not attract people from various ethnic groups. These barriers may appear to be insurmountable, but because they are cultural by nature they can be dismantled. Courses should be made attractive to all ethnic groups and women.

I am disappointed to find there is no commitment to gender balance on the State Training Board. For 10 years honourable members have talked about the importance of technical and further education in the development of Victoria's skill base under a formalised training system, and we will continue to do so. A person who travelled from overseas was quoted in a newspaper as saying that we have a training system for absolutely everything, and so it should be. In Victoria we have formalised training for people entering a number of vocations. We have also acknowledged that education is a lifelong experience and formal education and training are only signposts to where one can proceed. I applaud this; it should continue.

I am concerned about the reduction of the membership of the State Training Board to only six members. It has been argued by the government that a smaller membership will mean members will not be captured by interest groups when making decisions. The government fears that a member who is captured by an interest group may hijack policy development and implementation and that is why it has scaled down the membership of the board. I believe it has shown a complete and utter lack of understanding or knowledge of the dynamics of the society that we represent. The government has failed

to accept that interest groups, formal and informal, have a right to have their voices heard and by formalising themselves into groups, be they trade unions, individual and collective - the Trades Hall Council or the individual unions affiliated with it - various student interest groups, industry lobby groups and their peak bodies, it is a legitimate way of having one's voice heard. It formalises the way people's views are heard and passed on to those who make decisions and carry them through.

The minister has made many public statements emphasising the importance of business interests, which indicates he believes only business interests can make adequate decisions, but that may mean that the board is captured by only one interest group. The government's argument that it does not want members to be captured by various interest groups is not supported because it has allowed itself to be captured by only one interest group and that does not make for sound administration whether in government or education. As a result of the way the board is being set up, it can be captured by only one interest group and no counter arguments will be put. A board with tripartite representatives cannot be captured by one interest group because of the number of interests represented on it.

The minister said in his second-reading speech that TAFE colleges were the most efficient in the country. If that is so why this massive change in the tripartite management nature of the system, which in the past underpinned the success of the training system in Victoria? The government is hell-bent on pursuing its ideology by making these changes to education and in a number of other areas.

The opposition does not have problems with three of the four points made by the minister in his second-reading speech. Accreditation of courses by providing registration is timely as TAFE is expanded. There must be a way of ensuring that the quality of courses that people undertake is maintained and that those courses can be measured to standard. For the purposes of the bill they will fall into line with the national standard that has been agreed upon. That provision is to be applauded.

The bill also provides for community-based providers of further education. It allows community-based providers to be registered by the Adult, Community and Further Education Board for the delivery of accredited courses. The opposition does not have a problem with that part of the bill. Not only private providers but also community-based providers must comply with an

accredited standard, and it is right that they be registered.

Unfortunately, because neighbourhood houses have to operate on a shoestring, in some cases in the past qualified teachers have not run courses. That concerns me; I wonder about the outcomes of courses taught by teachers who are either unqualified or who have not been accredited.

The bill establishes the legislative framework for industry placements of TAFE students. Certainly practical placement is and should remain a vital component of any tertiary training - and I place TAFE in that category.

Mrs Hogg mentioned the internal review that has been conducted in the past into the State Training Board. I understand that two options were suggested. One was the development of a small, non-representative, high-level board with executive powers and accountability for the total management and coordination of the system. The other was the establishment of a larger board with advisory powers only. The Minister for Education and the Minister for Tertiary Education and Training acknowledged that those options were favoured by everyone consulted. So what happened? The minister decided not to go with either option recommended by his own internal review. In fact, he has now gone for an executive-type board. In fact, the opposition argues that the minister has actually taken the worst of both options.

The board structure proposed in the bill will limit participation and representation and the board will be only advisory. Where will be the depth and breadth of advice the minister needs to receive? It will not be available from that board.

I have limited my contribution in this debate to the destruction of the State Training Board and the establishment in its place of a very small, unrepresentative group of people. Although the opposition does not support that destruction, it supports wholeheartedly the reasoned amendment moved by Mrs Hogg.

Hon. LOUISE ASHER (Monash) - I shall make a few comments on the bill and express my opposition to the reasoned amendment moved by the opposition. The bill represents substantial reform in vocational education and training. It is interesting to note that rather than focusing on the broader issues of the bill the Labor Party opposition has focused on the way that boards and governing

bodies are constituted. The basis of its opposition to certain areas of the bill is simply that its union mates will no longer automatically have representation rights on various boards and councils. The opposition is arguing and always argues that, by virtue of being unionists, those people are qualified automatically to sit on boards or make some contribution.

However, members of the government party argue - this is a new concept for the ALP - that board appointments should be made on the basis of merit and on whether the potential appointees have something to contribute. Although I am not disputing the fact that unionists may well have some merit, the basis of appointment will not be the fact that one is a unionist but that one has a capacity to contribute to the training system in this state.

The purpose of the bill is broad. The opposition focused only on appointments rather than the broader issues. Its main purpose is to reform organisational and accountability arrangements in the state training system and, most importantly, to implement the agreement to establish a national vocational education and training system. It also clarifies the roles and responsibilities of the minister and the State Training Board. I shall focus briefly on the role of the minister because the bill makes some changes in that regard.

The *Report of the State Training Board Organisational Development Project* actually found it was important that the minister's role be clarified with regard to the state training system and suggested that his role be defined and 'quite unambiguously reflected in the legislation.' The report said that that is not the case at present and needs to be remedied. Accordingly, the bill will remove the current requirement for the State Training Board to reflect certain policy or management decisions of the minister and will allow the minister to issue directions on specific issues rather than simply setting the overall framework. The bill clarifies, as it should, the duty of the minister to put his role in vocational education and training in this state into proper perspective.

As has been mentioned by previous speakers, the State Training Board currently has 15 members. There is provision for union representation: four general union representatives and another union person representing TAFE teachers - so at least five unionists are guaranteed representation on the 15-member board.

Last year the minister commissioned a report from the board, which made a directional recommendation for the board to be reduced in size and to shift away from the representational nature of the board. The minister's decision is that the board should now comprise six members but it will be a small, high-level group of people who will have a policy contribution to make. It is important that the board members are not stakeholders in the system; the board should not simply represent stakeholders, but members chosen for their expertise.

The model for the board has been compared with the ANTA - the Australian National Training Authority - model by a number of people on both sides of the house. I understand that authority has five members. Ms Kokocinski said she thought the authority had a board based on the tripartite model. My understanding is that the authority has four business people and one trade unionist. Although I do not know whether that model is appropriate, nevertheless it is clearly not a tripartite model. Gender balance has also been mentioned in respect of that authority, which consists of four men and one woman. I certainly would not regard that as an appropriate model to follow. The role of the State Training Board will be to provide expert advice to the government. The minister has said the board should reflect significant industry experience.

I shall take up a couple of comments made by Mrs Hogg. She expressed concern about the functions of the board being altered. The previous legislation listed about two pages of very specific functions of the State Training Board. This bill, in particular clause 7, outlines some more general functions of the board. Mrs Hogg also expressed concern that assistance for disadvantaged people through the state training system had been removed from the list of functions. She implied that meant the board would not have regard to that important issue. That is simply not the case.

The government has reworked the functions of the board to make them extremely broad, and I interpret advising the minister on how to open up opportunities for disadvantaged people as being completely compatible with the functions outlined in clause 7, which inserts a new section 9(1). For example, proposed section 9(1)(b) states that one of the functions of the board is:

to advise the Minister about vocational education and training strategies to complement State and national economic and social development;

I regard that as particularly broad, and giving advice on assisting the disadvantaged to have access to training would fall under that category. For instance, proposed section 9(1)(c) states that another function of the board is:

to identify major vocational education and training issues and make recommendations to the Minister about those issues;

I believe that access for the disadvantaged to education and training is a major vocational education and training issue. One would think that the board should be providing that advice to the minister as a matter of course, but the removal of this provision is not something sinister; it is simply a broadening of functions. Rather than listing two pages of functions the government has decided to make the definition broad and not itemise so many individual functions.

I shall take up the point that Mrs Hogg made about equal opportunity programs. She went on to extrapolate - -

The DEPUTY PRESIDENT - Order! There is too much audible conversation immediately behind Hansard while the honourable member is on her feet. If honourable members want to have a conversation they are to go outside the house and not to converse immediately behind Hansard.

Hon. LOUISE ASHER - The issue of equal opportunity programs was raised by Mrs Hogg. Obviously any equal opportunity consideration will be part and parcel of the way the State Training Board will operate. Simply because it is not listed on some document does not mean it will not be a priority. The minister is committed to those sorts of issues and has been for a long time. Obviously those sorts of programs will continue to apply.

I take up Ms Kokocinski's claim that the government would appoint clones to the board - -

Hon. Pat Power - Clowns!

Hon. LOUISE ASHER - No, clones - the clowns are on your side! I believe that is an extremist type of view. The people whom the government will appoint to these boards will be people with expertise who have a contribution to make. Ms Kokocinski talked about people's rights to sit at the table and make a contribution on training. Other government members and I argue that no-one automatically has a right to do that simply by virtue of the fact that

they hold office in a union. The people who have a right to sit at the table should be those with expertise; those who come from a certain background and those who have a contribution to make to the overall betterment of training.

The bill implements the Australian National Training Authority (ANTA) agreement, the national vocational education training system, which was agreed to in July 1992 by commonwealth and state ministers. That agreement was intended principally to establish a national vocational education and training system across the country, and the bill will allow ANTA to organise its functions in Victoria. There is similar legislation in other states, and this is an Australia-wide step supported by all governments involved. Most importantly, the State Training Board will be Victoria's state training agency for the purpose of the ANTA agreement.

The bill also restructures TAFE college councils. My colleague Mr Peter Hall has gone into some detail about that, but in practical terms currently college councils have about 17 to 20 members, and this provision will reduce the number to between 9 and 15 people, no fewer than half of whom will be appointed by the minister. Again, appointments will be made on merit. Appointments will not simply be made of people who represent various interest groups. The government will look for people with experience in industry and further education, and local community representatives will be appointed because of their expertise. That will give a better balance than simply reserving various places for people of certain backgrounds. That is an important step forward, because I certainly believe councils of 17 to 20 people are unwieldy.

The functions of industry training boards have been altered by the bill. Industry training boards will centre on the development of quality training plans for their respective industry sectors. The bill also changes the requirements for composition of industry training boards. Both employers and employees will be represented, but it does away with the tripartite formula and again people will be chosen on the basis of their expertise and the contributions they can make to these important bodies.

Other reforms in the bill were touched upon briefly by Mr Hall. The bill also covers registration of private providers; it looks at national standards for adult community and further education and picks up a number of employee relations and WorkCover issues.

I shall make specific comments about the reasoned amendment moved by the opposition. The opposition presented a lazy reasoned amendment. If, as the opposition said, it was in favour of much of the direction of the bill, members of the opposition should have put forward a series of individual amendments to address what they consider the problems in the bill.

Hon. D. A. Nardella - Would you have accepted them then? Of course you wouldn't have!

Hon. LOUISE ASHER - For the opposition to put forward a motion that specific places be allocated to and reserved for people simply because they are union officials - -

Hon. D. A. Nardella - That's what consensus is all about!

Hon. LOUISE ASHER - I consider it to be particularly lazy to have suggested that the government simply pull a bill because the opposition cannot be bothered going through and drafting separate amendments to attack the individual policy points that it wishes to raise. Ms Kokocinski said that a small board based on merit would remove public accountability, and government members consider that to be nonsense. We argue that clearly people should be appointed for the contributions they can make, not simply because they represent a sectional interest which often may not result in the best people being appointed to various boards and councils.

I reiterate: it may well be that a trade unionist is the best person to be appointed, and in many instances it will be the case, but I believe it is important that people be appointed on the basis of their expertise, not simply because they happen to be trade union officials. I look forward to a range of people being appointed from all sorts of backgrounds to the three bodies covered in the bill.

In direct response to Mrs Hogg's earlier point, I also look forward to a significant degree of gender balance. If one were to look at this government's record on board appointments one would see that a significant number of women have been appointed to boards and to various jobs and that regularly a significant number of women are being appointed to senior advisory positions.

I have great faith that there will be a significant gender balance in appointments. I refer Mr Power to a female National Party minister in New South

Wales, Wendy Machin, who provides an excellent example of the quality of the women that the National Party can preselect and appoint to important positions. Look north - one can see fantastic examples in New South Wales.

On that note I oppose the reasoned amendment, which I consider to be lazy, and I strongly support the bill.

Hon. PAT POWER Oika Jika) - I express opposition to the bill and support the reasoned amendment. In passing, I record my appreciation of the assistance given by Ms Asher in underlining the fact that the National Party has no women members in the Victorian Parliament.

Hon. P. R. Hall - A n irrelevant comment.

Hon. R. M. Hallam - Very helpful.

Hon. Louise Asher - Is that in the bill? How many women will you have in the next Parliament; fewer than now?

Hon. PAT POWER - Mrs Hogg referred in general terms to the opposition view of this legislation and Ms Kokocinski supported that view. I noted that Ms Asher chose to describe the opposition's reaction to the bill as lazy. That is rather cute.

Hon. Louise Asher - Nobody has ever called me cute.

Hon. PAT POWER - That does not surprise me! I thought it cute that Ms Asher would describe our reaction to this legislation as lazy given her non-performance in this house yesterday about a government question on the grand prix and Albert Park. The question was asked by an honourable member representing South Eastern Province, not an honourable member representing Monash Province. Let the record show that.

Hon. P. R. Hall - Another piece of irrelevancy.

Hon. Louise Asher - Why don't you speak on the bill?

Hon. PAT POWER - As the minister knows, I like preambles. Mr Hall and Ms Asher have referred to their support for the abolition of the tripartite representation reflected in current arrangements. Although Ms Asher describes our concentration on that issue as lazy, it is reasonable for the house to

recognise that the essence of the difference over this legislation is the view of the government on the one hand and the view of the opposition on the other to the issue of tripartite partnerships.

I certainly do not think it is reasonable to describe our reaction to and concentration on this issue as lazy because, philosophically, it is clear that the government does not see any importance in genuine partnership and it does not see any importance in tripartite arrangements. Since it has been in office, the government has acted to interfere with, overrule, tip out or bulldoze any representation or any arrangements that ensure a broad community voice and representation on a range of issues.

When one looks at the way the government has treated local government and the way it is bulldozing elected representatives to replace them with government-appointed commissioners or agents, it is not surprising it has chosen in this bill to attack the right of sectors in the community to have their elected representatives participate in the boards referred to.

Ms Asher and Mr Hall both acknowledged that as a consequence of this legislation it will be possible for a trade unionist to be chosen by the government to sit on the boards. I welcome their emphasis that it could be possible.

However, that emphasises the attack in this legislation on those sectors of the community which currently have an existing right - not a possibility - to elect their nominees from among their own people. I welcome the efforts that Ms Asher and Mr Hall made to underline the opposition's view and to place on record their acknowledgment that we are moving from a situation where sectors of the community have the right to elect to a situation where the government will decide who is to be appointed. As it is doing in local government, the government will decide who is to be the community's agent, its representative, its appointee.

Mr Hall referred to the State Training Board and to the fact that it is currently made up of 15 members representing, among others, two categories that I wish to concentrate on: the employers and employees through the trade union movement. Mr Hall and Ms Asher seemed to suggest that 15 was too large a number. I acknowledge that there can always be discussions about whether a board of 15 is too large or too small, but that is an entirely different argument to the one they quickly moved

to, suggesting that not only is the board too large but that it is made up of people not appointed by the government.

There are two absolutely separate questions: if the government feels a board of 15 members is too large, let us have a debate about that. Let us do exactly as Mrs Hogg's reasoned amendment would enable us to do - b u t no, as it has done with local government, the government has its bulldozer fuelled up and out of the shed; it has the bulldozer aimed at anybody who is a democratically elected representative.

Mr Hall also said he was unaware that there had been expressions of alarm and concern from the community about this bill. He suggested that in his capacity as the head of a government committee he had not heard from the trade unions. By way of interjection, which he did not catch, I asked Mr Hall whether, in his capacity as secretary of the government committee, he had written to the trade union movement to seek the particular views of those people who were about to have their democratically elected representatives bulldozed. Consultation is always a two-way street.

It is ludicrous for a government member to argue that there has been consultation if the record shows that efforts to consult have been only one way. I point out to Mr Hall and Ms Asher that there is increasing evidence to show that the community is alarmed about the lack of consultation. In recent weeks 10 000 people attended a demonstration in Ms Asher's electorate.

Hon. J. V. C. Guest - T h e y were consulted.

Hon. PAT POWER - Thank you.

Hon. J. V. C. Guest - One of the biggest consultations in my electorate for a long time.

An Honourable Member - Which you did not attend.

Hon. PAT POWER - I welcome Mr Guest's interjection that he believes that was representative of consultation. I will leave it to others to judge that.

During his contribution Mr Hall said there has been appropriate consultation on the bill. It is reasonable for the opposition to refute that view. The Electrical Trades Union, of which I am a member, has no record of receiving correspondence from Mr Hall in his position as head of a committee requesting that

union's view about the pillaging of elected representation that this legislation carries out. I draw the attention of honourable members to survey results published in today's *Herald Sun*, in which 77 per cent of people polled said that they thought the Kennett government should consult more, an indication that Mr Hall's comments are not shared by the community.

Arguments have been put by Mrs Hogg and Ms Kokocinski about the importance of vocational education. The opposition shares the views expressed by government members as Australia so desperately seeks to be the clever country and to participate in the growth of employment, industry and commerce that will surely occur in this Asian-Pacific area. The opposition supports the government view that vocational training is absolutely crucial.

Mrs Hogg and I had the good fortune to work in the educational area of vocational training, which so many young people need to establish sound, secure careers and consequently contribute to this state and nation by undertaking important work in an enormous range of sectors. Many of those young people were from non-English-speaking backgrounds. Among those members who were involved in education - particularly in the western and northern suburbs - there is a particular understanding of how important vocational training is to the well-being of young people. Often employers and employees made clear their views about what forms of vocational training were appropriate.

Since the early 1960s there has been clear evidence that this tripartite arrangement - t h i s genuine partnership between government, employers and employees - has led to an extremely strong and healthy vocational training program. Although the opposition does not contest the government's right to rearrange these sorts of issues to more satisfactorily achieve its political goals, it categorically rejects the notion that the destruction of elected representation and a tripartite arrangement contributes to the welfare and well-being of vocational education and training.

Opposition members are concerned about those young people who in future years will want to move into vocational training. We believe the tripartite arrangement is the best way of ensuring that the mix of training opportunities is absolutely correct. I would happily wager that if the Cain or Kirner governments had brought forward a piece of

legislation which proposed that the existing tripartite arrangements were to be destroyed and that the Cain or Kirner governments were to decide who the political appointees would be, there may well have been extremely strong opposition from members of the Liberal and National parties.

Hon. R. J. H. Wells - Not necessarily.

Hon. PAT POWER - Dr Wells says not necessarily, and I am happy to acknowledge his dissent. However, it is not possible for the opposition to support this attack on a system that has worked satisfactorily, to support this attack on the principle of the right of the community to participate in tripartite arrangements or to support an attack which removes the current right of sectors of the community to elect their representatives.

I again refer to the poll published in today's *Herald Sun*. The opposition's views are reflected by the community; 77 per cent say the Kennett government should consult more, 49 per cent say the Kennett government is arrogant. Those views result more from the Kennett government's style than from its content. People are deeply alarmed about the way change is being managed by the Kennett government. They are not so much worried about the extent of local government change as they are about the way it is being managed; they are not so much concerned about the grand prix as they are about the way it is being forced upon a precious piece of public open space - that is, Albert Park.

I conclude by saying that there is broad alarm that the right of sectors of the community to decide who their representatives will be on tripartite committees is under attack.

Hon. M. M. GOULD (Doutta Galla) - I oppose the bill and support the reasoned amendment. Prior to my entry to this house I was the National Chairperson of the National Food Industry Training Council and was also involved with the Victorian branch of that body and with the State Training Board. The work of that training council, in consultation with the State Training Board, was with the food industry, which is the largest sector of the manufacturing industry. The training council introduced vocational education and training to food production workers.

The food industry has 17 recognised sectors. The task of the tripartite body, involving employer representatives, trade unions and employee representatives, was to bring those different sectors

together into one industry. That needed to be done for a number of reasons. The food industry is now worth more than \$13 billion a year in exports for Australia and to achieve that export level we needed to raise the skills of the food production workers. The body sat down with all the different sectors, such as milling, dairy, starch and condiments, tea and coffee, fruit and vegetable, and so on.

Employers were reluctant to retrain their employees. Eventually federal legislation was introduced to ensure that employers actually spent money on training. Some employers voluntarily spent the money on their employees; but if it had not been for the encouragement of the tripartite body with which I was involved and the legislation of the federal Labor government, on the whole, employers would not have spent money on training their employees and we would not have been in a position to increase our export market.

As a trade unionist I argued that members of my union were highly skilled. Until that time their skills had not been recognised, although the expertly manufactured products they had been making for many years would be well known to honourable members. For instance, I am sure that at some stage of their lives honourable members would have tasted the famous Australian product, Vegemite. The taste of Vegemite today is exactly the same as it was 40 years ago because the formula has not changed and because the workers who manufacture it are skilled. Day in and day out they produce Vegemite of the same quality as 40 years ago. Kraft Cheddar cheese is another example. It is a blend of at least six different types of cheese, and it is blended by workers who have the skill and knowledge to pick out and blend cheeses from different barrels to maintain a consistent taste.

Those workers had not been deemed to be skilled and I maintain that their recognition was kicked off by the trade union movement when the training reform agenda was commenced. We dragged employers kicking and screaming to the table to talk about the training that was required and, more importantly, the recognition of the training within the workplace.

I was also involved in the development of competency standards and curriculums for the food industry in Victoria. Through their representation by the trade union movement the workers sat down with employers and wrote the competency standards they wanted to set for their industry. From those standards the workers, with assistance

from TAFE colleges and people with expertise, actually wrote the curriculums to meet the standards. That again was done with the cooperation of employers, unions and government representation at all levels.

The curriculums were then registered with the State Training Board, and the milling sector in Victoria had the first curriculum placed on the national register. That was done through the State Training Board. I was involved in that from beginning to end, and it was the consultation and cooperation of a tripartite approach to the food industry that allowed it to occur. That development has been extremely important to the industry because most food companies that operate in Victoria also operate in every other state, and many also operate in New Zealand. Because we have been able to achieve a national approach to the training agenda we have been able to raise the skills of our workers in all the core issues across the different sectors of the food industry.

We have heard that the government may take away the tripartite body that has allowed all this to happen and may put in its place a trade union official or an employee representative on the State Training Board. That would be to the detriment of the training reform agenda we have followed in the past four or five years. Many of the employers I have spoken to and been involved with have said that if it were not for the assistance of the trade union movement they would have had difficulty getting their employees involved in training reform because many of them come from non-English-speaking backgrounds and are intimidated by any form of training.

Any honourable member who has gone through an education process since leaving school will know how difficult it is to get back to learning. Through the State Training Board and the tripartite training advisory bodies we have been able to encourage workers to undergo training.

On many occasions employers have said to me such things as the labelling on the product is a different shade or colour from what is required or the ingredients listed on the label may not have included enough salt or sugar because the workers did not have the numeracy or literacy skills to work out what was required. If the product has to go through the process again the double handling is an extra cost to the employer. Through the introduction of the training reform agenda and the work of the industry training bodies and the State Training

Board, training courses that incorporate numeracy and literacy, as well as the relevant occupational health and safety issues, have been created.

I have been to establishments where employers have said to me, 'We have a 1-tonne mix and because the product is exported to Japan there are strict regulations on the quality of the product. Only 10 per cent of the 1-tonne mix goes into the product but the workers don't have the ability to work out what 10 per cent of a 1-tonne mix is'. The employers had to provide the workers with calculators so that they could work it out. Employers asked how the problem could be remedied. Through the training reform program the trade union movement has instigated a curriculum, and employers and workers have been consulted. We have convinced them of the merits of such a program because it can only benefit the employers. We have argued for many years about the cost of training versus the cost of no training.

The bill reduces the number of members of the State Training Board from 15 to 6, who will be appointed by Governor in Council. Victoria has a number of significant industries and the peak bodies, such as the Australian Chamber of Manufactures, the Victorian Employers Chamber of Commerce and Industry and the Victorian Farmers Federation, should be represented on the board. They would have an interest in being represented on the State Training Board, which should reflect the needs of the industry.

I come from an organisation involved with at least four different state industry training advisory boards - the plastics, food, warehousing and road transport industries.

The Victorian State Training Board initially consisted of 4 employer representatives, 4 employee representatives, 3 ministerial nominations, a TAFE teacher and representatives of the Council of Adult Education. How will a board of six members properly represent the industry when board members will be appointed by the government? Employers will not be able to nominate who they wish to be on the board. Many employers and trade unions would want to be represented on the board.

I know the government does not like the word 'union', but unions must be represented on a board that will have so much impact on their membership. They should have the right to elect who they wish to represent them through the Trades Hall Council and affiliated unions. I have been appointed to boards

# VOCATIONAL EDUCATION AND TRAINING (AMENDMENT) BILL

972

COUNCIL

Friday, 27 May 1994

where the Trades Hall Council has called for nominations and then advised the government of the nominated representative.

Recently I was fortunate enough to lead a delegation to the United States of America. It was an all-party delegation consisting of four ALP representatives, four Liberal representatives, one National Party representative and one Australian Democrats representative. At one of our meetings with the Department of Labour in Washington, DC, the Americans came up with the wonderful idea of training workers. They were looking at having employer representatives, government representatives and, surprise, surprise, employee representatives on the board. If the Americans can tolerate the trade union movement on training bodies, my view of America has changed.

Hon. Bill Forwood - The forces of darkness and evil.

Hon. M. M. GOULD - Exactly. As Mrs Hogg said, with the changes that will take place over the next 10 years, she may not have to leave her room following the introduction of high technology, such as CD-ROM, distance learning, videos, satellite dishes and so on. It will be possible to deliver those training programs throughout Australia, particularly to outback Australia, where there is a food industry. Technology is taking over the delivery of training, and that can only be of benefit to employers and to the trade union movement. It can only raise employee skills and therefore raise productivity and the quality of the product.

Unless there is cooperation and consultation in the delivery and composition of the curriculum and training, it will be less beneficial to employers. Some provisions of the bill will ensure appropriate quality and outcomes and the providers will deliver the appropriate curriculum to ensure that there is transferability between states because a lot of companies work outside Victoria. That must be taken into consideration. There must be a training reform agenda that will achieve what has been achieved over the past five years.

I oppose the bill and support the reasoned amendment.

Hon. R. S. IVES (Eurnemmerring) - As a final speaker against the bill and for the reasoned amendment, I shall not go through the provisions of the bill and I do not intend to cover ground already covered by other members. I congratulate Mrs

Hogg, Ms Kokocinski, Mr Power and Ms Gould on the quality of their knowledgeable contributions.

Although I intend to make a few summary remarks, let me hasten to say that, maintaining the niceties of the house, I point out that nothing I say should in any way be taken as a reflection against the current minister. No doubt he was most gratified when at the recent opening of a new building at the TAFE division of the Swinburne University of Technology, in the presence of Laurie Carmichael, the university's Chancellor, Richard Pratt, described the minister as a man regarded by the Premier to be a wise man, the guru of the cabinet, who was handed the curly problems secure in the knowledge that wise and mature judgment and counsel would prevail. That was probably going a bit over the top. No doubt there may be a grain of truth in it, but the fact remains that this minister is not the only education minister there has ever been - there will be other ministers for education. This minister is subject to cabinet direction and therefore the opposition regards it as a retrograde step to remove the provisions that allow for people to hold places on boards because of their position and to remove the tripartite representation of the board.

Mr Hall commented that there were changing needs and therefore we had to change the structure of TAFE in response to those changing needs. He mentioned the growing acceptance of TAFE, the competency-based training and the national agreement. However, he presented no clear case why the changes needed to result in any change in structure. Similarly, Mr Hall mentioned that the proposed new State Training Board would be similar to the board of the Australian National Training Authority (ANTA). What has that to do with the case? Each board deals with totally different functions.

Mr Hall quoted from a report that he claimed was the report of the internal review of TAFE. As that has not been distributed in this house - it was not made public - the report is of no account. Until it is distributed publicly there is no point in the opposition taking it seriously or debating it because we are at the disadvantage of not knowing the contents.

Finally, Mr Hall mentioned that the reduction from 15 to 6 members would not dilute the range of expertise or views on the board. Logic makes it hard to believe that a reduction of more than 100 per cent would not reduce the capacity or range of views on the board.

Ms Asher claimed that the reasoned amendment was lazy and that the opposition just could not be bothered drafting amendments. The big difficulty is the new structure and the removal of the tripartite nature of representation is so deeply embedded throughout the bill that it is not a matter of simply changing a few clauses but of redrafting the whole bill. It is impossible to come up with a series of amendments that could change the bill to obtain the effect that the opposition wishes. Ms Asher also addressed clause 7, which relates to the functions of the board, and claimed that subsumed within them was the former requirement that the State Training Board make some effort to compensate for and redress disadvantage. The opposition's examination of clause 7 sees nothing which suggests the board should take the issue to heart. It may indicate that; it does not say that it cannot do it, but neither does it say that it should.

The main issue mentioned by Ms Asher is the issue that is at the very heart of the debate - a debate we have had many times over the past 14 months and a debate we will have many times in the future - as to the nature of the representation of bodies concerned with governing this state. Ms Asher presented the point of view that it is not who you represent but what you are, what you can contribute and your degree of expertise that is important. She said nobody has a right simply because of their position to be a member of a board. I think she actually portrayed her true attitude in the comment that followed, 'Nobody has a right, only those that come from a certain background'. The opposition is very interested to know the background from which Ms Asher thinks these people should come.

It is worth while running through it again and putting the position which the opposition has put numerous times and which it will put numerous times again. The minimum defence that I feel sure the minister will put up is, 'Why the fuss?. Of course a responsible caring and mature government will make sure there is adequate representation from trade unions, industry and the community - trust us'.

That is a very lofty, very Edmund Burke, very patrician approach to this issue. Certainly burnt into the consciousness of the labour movement is still the very dreadful example of the appointment by Sir Joh Bjelke-Petersen of Pat Field to the Senate. We all remember the grotesque example when a respected ALP senator from Queensland died and Joh Bjelke-Petersen nominated the grotesque Pat Field to the position claiming that he was a member of the

ALP and therefore he was respecting and honouring the tradition of replacing deceased members with a person of their party affiliation. With that sort of tradition set in Australian public life, the opposition does not trust this minister or any minister to be responsible, mature and sensitive in his appointments and judgments at this level.

Quite obviously if one wants to encapsulate the nature of administration, one must talk about quality, acceptance and appropriateness. Of course we all want quality decisions. We do not want decisions with just the lowest common denominator compromise. There is no doubt that that can arise with a board that is simply representative of various interests, and that is something to be guarded against.

But how can the government argue that a group of people selected because of their supposed expertise and competence, a sort of ministerial grouping, a kitchen cabinet, a task force, will be any better equipped to come up with quality decisions?

The next issue is acceptance. This is particularly so in the area of government. Mr Power has read out statistics published in this morning's newspaper showing that the population does not regard the present government to be consulting widely enough. If the government wants acceptance it pays to appoint people who are there because of a position of right or who are stakeholders. To take a fanciful example, when appointing an education board, let us suppose the minister said I will not appoint Mary Blewitt from the Victorian Secondary Teachers Association (VSTA) but will appoint Mr Brideson. The difference would be that Mr Brideson, even if he agreed with the minister, as I feel sure he would, would simply bring his own opinion with him. Working with Mary Blewitt of the VSTA would be much harder, much more difficult and frustrating, but if agreement were reached, Mary Blewitt would deliver her constituency. It is a matter of engaging people not just because they represent a certain grouping but because they can deliver a constituency that you want if you can reach agreement with it.

It is not just a one-way street. The unions have played a particularly constructive role over the past 12 years of dramatic change in this country. It would not have been possible to get the notion of core competencies, it would not have been possible to get acceptance and new approaches to training and it would not have been possible to get award restructuring without them. It would not have been

possible to get enterprise bargaining unless the unions were convinced mostly on tripartite committees that they were desirable and necessary and then be able to go out and deliver to their membership. If you want union membership to be delivered, one does not ask Mr Brideson to do it, one asks Mary Blewitt to do it. The example which the opposition can quote, which was much maligned at the time and which has been accepted - last year Mr Evans was extolling the virtues of it and speaking in the house about it - is the example of the VCE. However difficult, time consuming and frustrating it was to implement the VCE, those steps could not have been taken except for the presence on that board of people who had the constituencies to deliver and if convinced were prepared to deliver them. A board cannot operate in isolation. It cannot make decisions and expect to gain acceptance.

So, from a quality point of view you are balancing the need for detachment against the need for knowledge. From an acceptance point of view and from the appropriateness point of view in government, the opposition would argue most strongly that the best needs of public administration are met with boards where people are representing stakeholders or their constituencies. To push those people aside, as Ms Asher did, describing them as lacking quality and expertise and not having the right background, betrays the shallowness of the government's argument.

There are very exciting possibilities in the bill, which will allow community-based providers of further education such as adult literacy courses to be registered by the Adult, Community and Further Education Board as deliverers of accreditation courses. That offers very exciting prospects. I shall give an example from my own electorate. The Berwick College of TAFE is next door to the Berwick College of Monash University, and just down the road is a particularly effective and large community house, Narre Warren Neighbours. The synergy of those three institutions has been the genesis for the development of the concept of a large multipurpose theatre, which can be used by all three institutions, as well as performing arts groups and local artists. The TAFE college is providing lessons in stagecraft and Monash University is providing lessons in the performing arts. It is an excellent education precinct but, importantly, pathways between the institutions are being developed. It is always difficult to establish pathways; but negotiations among the three institutions are now in progress, which will result in the training provided by neighbourhood houses being recognised by and leading to credits in

and exemptions from TAFE courses, as well as TAFE training leading to exemptions at universities.

I have one word of warning. The community house sector cannot be seen only as providers of further education or other services according to the agenda of the Board of Adult, Community and Further Education, just as it cannot be seen as part of the agenda of its other main funding provider, the community services ministry. Community houses have their own agendas and roles, which are very important. If they are compatible with and can accommodate the important needs of adult and further education, the total effect will benefit our society.

Hon. HADDON STOREY (Minister for Tertiary Education and Training) - A number of the comments made by members opposite betray their acceptance of most of the provisions in the bill and the recognition that it will benefit training in this state. Therefore, it is a shame that the opposition has moved a reasoned amendment that would defer the implementation of the bill. The opposition's views are based on the belief that tripartism should continue to be enshrined in the system. Mr Hall and Ms Asher have already said the bill implements appointment on merit, which the government believes is the right way to go. Of course, industry will continue to be involved at all levels of the system, which I have made clear many times in the past.

The new State Training Board will be comparable with the former board. Ms Gould said the Australian National Training Authority Board still retains a tripartite approach, but that is not the case. The ANTA agreement says that industry will be involved in key aspects of the new system, including the membership of the board. Industry does not say who should be on the board or how many members it should have. The ANTA board consists of five members - four business people and one trade unionist. I assure honourable members that the new State Training Board will have representatives from both sides of the employment scene.

A complaint was made about the State Training Board being responsible to the minister. I remind honourable members that the ANTA agreement entered into by the commonwealth and the states established state training agencies, and the State Training Board will be Victoria's training agency. The agencies are to be accountable to state Parliaments and ministers. Again the legislation accurately reflects what is required by the ANTA

# SOUTHGATE PROJECT BILL

Friday, 27 May 1994

COUNCIL

975

agreement, which was entered into by all states and the commonwealth and which was drawn up by a federal Labor government. The contents of the bill are not only sensible and logical but required under the ANTA agreement.

The final comment I make is about industry training boards. Ms Gould referred to the development of curriculums. I agree with much of what she said, which represented the good things about the training system. Industry training boards were established after a public review, the recommendations of which were based on wide-ranging consultation. The bill continues to enshrine the notion of employer and employee representation on industry training boards because proposed new section 43(3) states that the minister can recommend members for appointment and has to ensure that the board has a membership of persons with experience of various aspects of the industry, including a background as employers and employees. So industry training boards will still have broad-based representation and the sort of things Ms Gould emphasised will continue to happen, which will ensure that the training system will be of benefit to all Victorians.

I thank honourable members for their contributions. The bill will help the Victorian training system not only remain the best in Australia but continue to improve and to serve the people of Victoria even better than before.

House divided on omission (members in favour vote no):

|                    |              |
|--------------------|--------------|
| Asher, Ms (Teltr)  | Ayes, 26     |
| Ashman, Mr         | Evans, Mr    |
| Atkinson, Mr       | Forwood, Mr  |
| Baxter, Mr         | Guest, Mr    |
| Best, Mr           | Hall, Mr     |
| Birrell, Mr        | Hallam, Mr   |
| Bishop, Mr (Teltr) | Hartigan, Mr |
| Bowden, Mr         | Knowles, Mr  |
| Bridson, Mr        | Skeggs, Mr   |
| Cox, Mr            | Smith, Mr    |
| Craige, Mr         | Stoney, Mr   |
| Davis, Mr          | Storey, Mr   |
| de Fegely, Mr      | Wells, Dr    |
|                    | Wilding, Mrs |

|                       |              |
|-----------------------|--------------|
| Davidson, Mr (Teller) | Noes, 11     |
| Gould, Miss (Teller)  | McClean, Mrs |
| Henshaw, Mr           | Mier, Mr     |
| Hogg, Mrs             | Power, Mr    |
|                       | Pullen, Mr   |

Ives, Mr  
Kokocinski, Ms

Theophanous, Mr

*Pairs*

|             |              |
|-------------|--------------|
| Connard, Mr | Nardella, Mr |
| Strong, Mr  | Walpole, Mr  |
| Varty, Mrs  | White, Mr    |

Amendment negatived.

The PRESIDENT - Order! I am of the opinion that the second and third readings of the bill are required to be passed by an absolute majority. So that I may be satisfied that an absolute majority exists, I ask honourable members supporting the question to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

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

*Third reading*

Motion agreed to by absolute majority.

Read third time.

Passed remaining stages.

Sitting suspended 100 p.m. until 207 p.m.

## SOUTHGATE PROJECT BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. R. I. KNOWLES (Minister for Housing).

## VICTORIAN FUNDS MANAGEMENT CORPORATION BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. R. M. HALLAM (Minister for Regional Development).

## SOUTHGATE PROJECT BILL

*Second reading*

Hon. R. I. KNOWLES (Minister for Housing) - I move:

*That this bill be now read a second time.*

The broad purpose of the bill is to facilitate the subdivision of the Southgate project and its subsequent management.

The project is a mixed use urban redevelopment project on the south bank of the Yarra River immediately opposite the central business district of Melbourne. The project includes the Sheraton Towers Hotel, two office towers, a shopping centre, a residential development site, known as the Amcor site, and St John Lutheran Church. It has an area of about 25 hectares.

The project is connected in a management or physical sense with the following adjoining land: the Victorian Arts Centre; the former Mobil building, corner of Southgate and City Road, and Riverside Quay, across Brown Street; land on the west side of Brown Street; the area known as the Bright Street triangle, bounded by Brown Street, Bright Street and City Road; the vacant sites of the old YMCA building at the corner of City Road, Sturt Street and Fanning Street; and adjoining roads, such as Southbank Promenade, City Road, Southgate Avenue and Brown Street.

Except for the Amcor site, construction of the project has been substantially completed. The buildings are constructed on a raised podium so that all of the various parts of the project are physically part of the same building, despite their different uses.

The project cost about \$600 million to complete and is one of the biggest projects of its type in Australia. Although apparently not a success to date in financial terms, the project is a success in planning terms and has substantially contributed to the revitalisation of the Southbank.

The project, except for St John Lutheran Church, is totally owned and controlled by Westpac Banking Corporation through Opalwood Pty Ltd, the trustee of the Southgate Trust. A contract is now being negotiated for the sale of the project to the Transport Accident Commission.

The difficulties the owners face with subdividing the project include:

car parking is spread over three levels and is designed and operated in a total sense without regard to the needs of particular uses;

pedestrian and vehicle access has been provided on the assumption that separate uses will not be individually owned. Services have also been generally provided on the same assumption;

the identification and actual survey of lot boundaries and road alignments is difficult. There is a need to correct boundary encroachments and other complications generally;

given the complicated nature and location of access, services and common facilities, there is a need for maximum flexibility in creating appropriate easements and management arrangements. For example, the loading dock for the offices and the electricity substation for the hotel are not in or near those uses;

some equipment and facilities are shared by various uses but are not located with those uses. This creates potential problems about ownership, maintenance responsibilities and cost sharing among a number of different uses. There is a need for a system to enable these arrangements to be properly documented and enforced;

the ownership of, and maintenance and cost sharing for, Jennings Way (the road that passes under the Southgate complex, which is heavily used by the public) needs to be provided for; and

there is a need to provide for certain offsite services and the project's operation with adjoining areas, particularly Southbank Promenade, the Yarra River pedestrian bridge and the Victorian Performing Arts Complex.

Many of these issues are not unique to the project but are common in mixed-use projects throughout Australia and overseas.

Project-specific legislation can best address all these issues. Such legislation is rare in Victoria because of the flexibility in the Subdivision Act 1988. The bill is, in fact, the first legislation of its type since the Subdivision Act came into operation. It is needed only in circumstances like this major project when complex ongoing management requires simple, flexible and enforceable arrangements.

The main features of the legislation are:

to ensure that the Subdivision Act 1988 and the Transfer of Land Act 1958 are applied to the project with minor changes, so that subdivision and titling is processed in fundamentally the usual way;

to allow for minor amendments to plans which relate to internal lot boundaries;

to modify the provisions dealing with implied easements and rights under the Subdivision Act 1988 and the Transfer of Land Act 1958 in their application to the project land;

to allow express easements and restrictive covenants to be created for purposes additional to usual easement and restrictions under the Subdivision Act 1988 and the Transfer of Land Act 1958 in relation to the project land and, if appropriate, adjoining land;

to provide for the registration of a management statement which will deal with management, cost sharing and other arrangements agreed between the owners of lots and other persons having interests in the project land and, if appropriate, adjoining land;

to declare the Yarra River pedestrian bridge as a road and vest it in the Melbourne City Council;

to provide that the project land, if subdivided, is regarded as one allotment in a single occupancy for specified building regulation requirements; and

to vest jurisdiction in the Supreme Court to make orders to facilitate redevelopment or refurbishment of all or part of the project land.

A proposal for the bill was discussed with the Department of Planning and Development's Subdivision Consultative Group. That group consists of practitioners such as surveyors, lawyers, planners, service authority staff and staff from government agencies such as the Land Titles Office. That group supports the proposed action.

In conclusion, the bill facilitates the financial success and the continued planning success of this important project on Southbank. Agenda 21 projects already announced by the Government are building on the success of Southbank. The bill is another step

by the government in ensuring that the success of Southbank continues.

I commend the bill to the house.

The PRESIDENT - Order! Having had the opportunity of examining the bill, I am of the opinion that it is a private bill.

Hon. R. I. KNOWLES (Minister for Housing) - I move:

That this bill be dealt with as a public bill except in relation to the payment of fees.

Motion agreed to.

Hon. R. I. KNOWLES (Minister for Housing) - I produce a receipt showing that the sum of \$1000 has been paid into the Treasury for the public uses of the state to meet the expenses of the bill.

The PRESIDENT - Order! The bill may now proceed or debate may be adjourned, if that is the course desired.

Debate adjourned for Hon. T. C. THEOPHANOUS (ijika Jika) on motion of Hon. B. T. Pullen.

Debate adjourned until next day.

## VICTORIAN FUNDS MANAGEMENT CORPORATION BILL

*Second reading*

Hon. R. M. HALLAM (Minister for Local Government) - I move:

That this bill be now read a second time.

In December 1993 the government announced that it would establish a central funds management authority for public sector funds and authorities. When the investment portfolios of the funds and authorities within the public sector are aggregated, the public sector has an investment portfolio of over \$13 billion. This bill gives effect to that announcement by establishing the Victorian Funds Management Corporation which will provide funds management and advisory services to participating authorities on a voluntary and contractual basis.

In making the decision to establish a funds management corporation, the government has taken into account the observations of the Auditor-General

in his November 1993 report on the investment performance of Government instrumentalities. The Auditor-General concluded that:

The achievements of the Transport Accident Commission in particular have been excellent with returns over the last five years, exceeding many large and medium-sized private sector funds. The commission has achieved these returns whilst maintaining a very low-risk profile.

The vision embodied in this bill is that the investment system and strategies developed and utilised by the TAC in the past should now be made available to other funds and authorities in the public sector on a voluntary and contractual basis.

The corporation will have the objective of providing professional fund management and advisory services to public sector funds and authorities which qualify as participating authorities. The corporation will provide these services through pooling the funds of its participating authorities in one or more trusts which will be established by the corporation and of which the corporation will also be the trustee.

It is intended that the funds pooled in the trusts will be allocated to specialist funds managed by specialist private sector fund managers. Although the active securities management will be conducted by the private sector specialists the passive portion of the portfolios may be managed by the corporation if this lowers costs. The performance of the private sector fund managers will be rigorously monitored by the corporation against investment mandates and benchmarks set by the corporation.

The investment products offered by the corporation will necessarily take into account the investment strategies and asset allocations determined by its participating authorities. Although responsibility for setting investment strategies and asset allocations rests with, and is the responsibility of, the individual boards of the participating authorities, participating authorities will be able to avail themselves of the corporation's advice in setting their strategies and asset allocations should they so choose.

Although the corporation will be required to operate within the prudential and reporting framework established by the Treasurer, it will also be expected to act on sound and prudent commercial principles and adhere to standards adopted by equivalent organisations in the private sector.

It is the government's intention to appoint to the Victorian Funds Management Corporation a commercial board comprising people of the highest calibre who have established records in commerce and relevant fields. Subject to the requirements of the prudential framework established by the Treasurer and the requirements of its participating authorities, the board of the corporation will be required to exercise independent judgment in the making of its investment decisions. To ensure that this independence is preserved the bill contains a clause which specifically prevents the Treasurer from influencing individual investment decisions of the board.

The establishment of the corporation will provide significant benefits to its participating authorities through:

increasing the range of markets and managers available to participating authorities and thereby enabling them to diversify their investment portfolios. It is through diversification that participating authorities will be able to lower the level of their portfolio's risk. In the case of smaller funds the establishment of the corporation is particularly important as it will enable them to access products which previously were outside their reach;

economies of scale. The establishment of the corporation will lead to lower fees for the volume of trading undertaken by the corporation and savings on administrative costs; and

access to the services of a corporation able to attract and retain skilled professionals dedicated to overseeing the management of the investments of the public sector. The establishment of the corporation, which complements the initiatives already taken to manage the state's debt and financial liabilities, is part of the government's drive to establish a more efficient public sector. The corporation has the potential to contribute significantly to the rebuilding of the Victorian economy and the reinstatement of financial confidence in the public sector. I look forward to the corporation's participating authorities testing the capacity of the corporation to offer a range of products which enable them to diversify their risk and enhance their returns.

I commend the bill to the house.

Debate adjourned for Hon. T. C. THEOPHANOUS (Oika Jika) on motion of Hon. B. T. Pullen.

Debate adjourned until next day.

## QUESTIONS WITHOUT NOTICE

### Grand prix

Hon. T. C. THEOPHANOUS Oika Jika) - I direct the attention of the Minister for Conservation and Environment to reports in this morning's papers that the Argentinian grand prix has been shifted from a street circuit in the suburb of Palermo to an existing purpose-built track outside the city following environmental concerns and protests and that Mr Ecclestone has agreed to the change of venue.

As this clearly shows that Mr Ecclestone is willing to renegotiate such contracts, does it mean that it is the Victorian government and the Minister for Conservation and Environment who are stubbornly refusing to reconsider the site on environmental grounds?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - The answer is no.

Hon. T. C. Theophanous - You're a smart arse!

*Honourable members interjecting.*

Hon. R. M. HALLAM (Minister for Regional Development) - On a point of order, Mr President, I find the comment by the Leader of the Opposition offensive and I ask him to withdraw.

Hon. Licia Kokocinski - He did not think it was offensive!

Hon. R. M. Hallam - I find it offensive, and I ask him to withdraw.

Hon. D. R. White - As offensive as when the Leader of the Government humiliated you yesterday and answered the question for you?

*Honourable members interjecting.*

The PRESIDENT - Order! The practice of the house is for the member in question to object if he is in the chamber. In this case the Minister for Regional Development has indicated that he objects to the use of the words and I ask that they be withdrawn.

*Honourable members interjecting.*

Hon. T. C. THEOPHANOUS Oika Jika) - I am not in a position to determine the relative intelligence of the honourable member's posterior, and consequently I withdraw.

The PRESIDENT - Order! The words are, 'I withdraw', without qualification.

*Honourable members interjecting.*

Hon. T. C. Theophanous - As I said previously, I withdraw.

### Local government restructure

Hon. B. N. ATKINSON (Koonung) - I direct the attention of the Minister for Local Government to his answer to a question asked in the house the other day as to whether he had had any response to the Office of Local Government report into contracts for senior council officers. Will the minister explain today if there has been a response to that report from any of the councils named in it or any further information from his department?

Hon. R. M. HALLAM (Minister for Local Government) - Honourable members will be aware that last week I released a report undertaken by the Office of Local Government into senior staff appointments and contracts across Victorian municipalities. The report found that the arrangement entered into by most of the councils named in the report were technically legal, however, their timing reflected adversely upon the councils directly involved.

The report was damning of one council in particular. The Waverley City Council signed 18 senior officers on contracts effectively covering their working lives. In two cases the contracts were for a period of more than 30 years. Perhaps most worrying, though, was the finding of the report that the ratepayers of Waverley had been misled by their council. Today I am pleased to report to the chamber that on Tuesday the Waverley City Council endorsed a resolution that

Council accept and agree to the abandonment of each of the written fixed term contracts of employment by each of its senior officers on the basis set out in the letters of abandonment.

And further that:

In consideration of the officers' abandonment and discharge:

## QUESTIONS WITHOUT NOTICE

980

COUNCIL

Friday, 27 May 1994

**The council agrees to treat the contracts as void ab initio, discharging the Officers from all or any rights or obligations arising under the contracts and waiving any claim in respect of such obligations.**

Waverley Council has since written to me following Tuesday's meeting informing me of its resolution. I acknowledge the actions of the Waverley City Council in coming to this decision. It is encouraging that council has moved so swiftly to remedy the situation as revealed in the report. As I stated when the report was released, my fear was that this episode had damaged confidence in local government generally and I believe the decision taken since to abandon the contracts will have done much to redress that damage. I commend the councillors and senior staff of the City of Waverley for their response to the report.

### Grand prix

**Hon. D. R. WHITE** (Doutta Galla) - Will the Minister for Major Projects inform the house whether the cost of constructing the grand prix track and temporary seats at Albert Park will be borne by Victorian taxpayers or from the gate receipts of the grand prix?

**Hon. M. A. BIRRELL** (Minister for Major Projects) - This has been made clear in Parliament and on every radio talk-back program for the past two days, but I am happy to explain it again. Yesterday the government announced that the government will allocate funds of \$45 million: \$20 million will be for park facilities and infrastructure of year-round benefit and \$25 million will be specifically related to capital works expenditure and other matters for the grand prix, such as safety barriers and temporary grandstands. That capital cost has been paid for by the state; that is well understood.

The recurrent costs can be met through such things as the large number of people who will attend the event and pay entry fees. There have been many recent derogatory comments from the Australian Labor Party about this proposal. The Leader of the Opposition originally supported the event being held at Albert Park and actually wanted to open the event because, as he said, 'I am a bit of a petrol head'. He then said he wanted to have it at Sandown, and he and his adviser, who happens to be the mayor of Springvale, sang the virtues of Sandown and how good it would be for Springvale.

Now he does not want to have it there at all; he wants to have it somewhere else. In all those comments, one thing members of the Australian Labor Party have not said is that people will not turn up and will not pay to go to the grand prix. Of course they will pay to go to the grand prix, and the event will be extremely popular.

*Honourable members interjecting.*

**The PRESIDENT** - Order! Does the house want question time to continue or not?

### Museum development

**Hon. G. H. COX** (Nunawading) - Will the Minister for the Arts inform the house of recent developments in museum development across Victoria?

**Hon. HADDON STOREY** (Minister for Tertiary Education and Training) - Victoria has an outstanding network of museum and art galleries. All honourable members would be aware of that and would be proud of the heritage collections Victoria has. Victorians appreciate them because recent figures released by the Australia Council show that 3 of the 10 most visited venues in Australia are in Victoria: the Museum of Victoria, the National Gallery of Victoria and Sovereign Hill, Ballarat. The figures also show that just under 5 million people visited Victorian museums and galleries in 1992-93, 14 million more than in New South Wales. That shows how much Victorians appreciate these cultural drawcards.

The museum network is improving all the time and under the museum accreditation program, about which I recently informed the house, museums are developing their levels of expertise and their ability to service the public. The program was initiated and developed by the Victorian Museums Advisory Board and is administered by Museums Australia (Victorian Branch) in cooperation with Arts Victoria. It is designed to ensure that our museums and galleries are striving towards world-best practice in their fields.

As honourable members will recall, it is a two-stage process of registration and accreditation. In the registration stage museums must provide a high standard of policy documentation and program activity and over two or three years they will receive accreditation.

## QUESTIONS WITHOUT NOTICE

Friday, 27 May 1994

COUNCIL

981

I am pleased to announce that 11 applicants have reached the registration stage of this process. They are, from the metropolitan area, Scienceworks, the Australian Gallery of Sport and Olympic Museum, the Italian Historical Society, the Jewish Holocaust Museum and Research Centre, and the Moorabbin Air Museum; and from regional Victoria, the Benalla Costume and Pioneer Museum, the Castlemaine Art Gallery, the Castlemaine Historical Museum, the Creswick Historical Museum, the South Gippsland Shire Historical Society and the Yackandandah and District Historical Society.

The commitment shown by the museums and galleries has meant that many people want to visit them.

### Local government restructure

Hon. PAT POWER Oika Jika) - On 25 May 1993 the Minister for Local Government wrote to mayors and shire presidents about changes to local government. In part that letter said:

It must surely be the responsibility of the minister ... to have the final say ... on boundary reform -

and -

the results of a poll ... would obviously weigh heavily in determining a ... proposal.

Will the government's announcement for change in Port Melbourne, South Melbourne and St Kilda reflect opinion expressed in the recent poll? I also seek his assurance that threats of vindictive action from the office of the Local Government Board will be rejected by the government.

Hon. R. M. Hallam - Will Mr Power repeat the final sentence about the challenge to the board?

Hon. PAT POWER Oika Jika) - I also seek his assurance that threats of vindictive action from the office of the Local Government Board will be rejected by the government.

Hon. R. M. HALLAM (Minister for Local Government) - That is a very serious challenge Mr Power levels at the board. If he has any evidence that threats of vindictive action have been made, I invite him to put up. If he has not that evidence, I invite him to shut up. Mr Power is destroying an important process. My view is that the board's charter is extremely sensitive and such a challenge,

unless it is supported by specific evidence, will not help the cause.

Hon. Pat Power - I couldn't agree more.

Hon. R. M. HALLAM - At least we have established that. I shall expect to see the evidence of it if Mr Power intends to question it. On the question of the importance of the poll, I stand by what I said in the letter - -

Hon. Pat Power - You have not given an assurance that you will reject it

Hon. R. M. HALLAM - I stand by exactly what I said in my letter of 25 May 1993 cited by the honourable member. The results of the poll will be taken into account by the board. We all understand, as would Mr Power, that no-one has argued that the results of the poll were biased. It is a matter of policy, held by the Labor Party, that the poll not be binding.

Hon. Pat Power interjected.

Hon. R. M. HALLAM - If that is the issue you now wish to raise, Mr Power, you should put on the record whether you think there was a clear message coming from that poll.

I repeat for the benefit of Mr Power that the poll will be taken into account by the board. The board has not yet framed its recommendation to me, and until that takes place I will not be in a position to make any judgments about the weight given to the poll. I expect that in the next few days the board will convey to me its final recommendation. We will then all know the extent to which the board has taken the poll into account.

I remind Mr Power to take account of all the facts involved. There was a clear message from those who took the trouble to vote in that poll, but only 3 out of 10 who were entitled to vote did so. I again suggest to Mr Power that there was no message because of that low turnout.

### Driver licence tests

Hon. P. R. HALL (Gippsland) - Several constituents have directed to my attention some inconsistencies in the way driver licence tests are being assessed. Is the Minister for Roads and Ports aware of this problem, and if so what action is being taken to address it?

Hon. W. R. BAXTER (Minister for Roads and Ports) - Mr Hall is not alone in receiving inquiries and complaints from constituents alleging that there is at times a lack of consistency in the application of driver licence tests between individual officers at particular locations and between different officers around the state. I have also received similar complaints over the years.

Dr McKnight, an internationally recognised expert from the United States of America, conducted an investigation into driver licence testing in Victoria some time ago and made recommendations that have a lot of merit. As a result, I am today authorising the introduction of a new test called programmed observation licence assessment (POLA).

POLA is based on an analysis of driver skills and involves the applicant driving around a predetermined test route designed to present defined driving situations. The POLA test provides an objective assessment of overall driving performance. The objectives of the POLA test are to provide consistent and reliable results with less variation between testers - that will answer the complaints Mr Hall received; be in keeping with national trends - it is useful, in light of the mobility of the Australian population, that there be consistency in driver licence testing among the states; and be suitable for use by either VicRoads staff or private providers if it is subsequently decided that driver licence testing will be undertaken by providers other than VicRoads.

The cost of administering the system will be similar to the cost for the current system but it will enable productivity gains currently estimated at 14 per cent. The test has been tried at the Blackburn and Frankston VicRoads offices and has been widely applauded as an advance. I am pleased to be introducing a statewide system.

#### Local government restructure

Hon. B. E. DAVIDSON (Chelsea) - Will the Minister for Local Government confirm that the Executive Director of the Victorian Automobile Chamber of Commerce has indicated that his organisation, representing more than 4500 members, is opposed to the state government's program of forced change? Does the minister believe this is further evidence of community opposition to forced amalgamations?

The PRESIDENT - Order! I presume that refers to amalgamation of municipalities.

Hon. R. M. HALLAM (Minister for Local Government) - Thank you for your guidance, Mr President, it was not clear to me from the question. If the honourable member is suggesting, as I think he is, that the Victorian Automobile Chamber of Commerce (VACC) has written to me saying that it is opposed to what the government is doing in local government, his records and recollections are better than mine!

#### Volunteer conservation projects

Hon. P. R. DAVIS (Gippsland) - Will the Minister for Conservation and Environment advise the house of the details of the government's 1994 conservation project grants program?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - I am pleased to provide the house with information on the government's project grants program which provides grants to community organisations and volunteer groups across Victoria. Recently I authorised the payment of grants to 150 separate organisations and groups. Those grants were for practical conservation projects at a local level. The thousands of unrecognised conservation volunteers throughout Victoria deserve that practical support because it encourages them and their associates in their actions, particularly on public land, but also in their neighbourhood communities. By combining the state government financial support with the efforts of committed volunteers, the government is creating a valuable partnership. I am sure all honourable members recognise the work done by individuals in their electorates in land protection or environmental protection activities.

The grants cover diverse projects ranging from \$14 000 for two innovative new publications to provide better information about Victoria's coastal environment through to \$9000 for new viewing platforms along the coastal areas for a number of nature purposes. Those types of grants are useful and relevant; they reward the efforts of individuals who want to do something about their local environments.

The grants also provide more than \$200 000 for hands-on conservation projects such as tree planting, species preservation and reforestation and more than \$70 000 for access paths and boardwalks on public lands. The financial support that is extended

to thousands of volunteers through the project grants program is repaid many times over through the value of projects to the wider community.

More than 800 applications were received for funding by this program, which demonstrates the need in that area. I will be pleased to ensure that in future those practical project grants will be paid, in part, from money that was previously given out by agency administrative grants to organisations, usually in the form of favours. The administrative grants have ended and project grants of practical relevance have replaced them.

### Schilling report

Hon. D. A. NARDELLA (Melbourne North) - My question is directed to the Minister for Gaming. The government carried out a review of the gaming machine industry which was headed by Mr Schilling. When will the Schilling report be released?

Hon. HADDON STOREY (Minister for Gaming) - It is expected that the Schilling report will be released in due course. By that I mean weeks rather than months. It will be sometime in the next few weeks.

### Public housing security

Hon. R. A. BEST (North Western) - Will the Minister for Housing advise the house of any developments in the provision of security surveillance on public housing estates?

Hon. R. I. KNOWLES (Minister for Housing) - This morning I inspected the security system that has just been installed at the Atherton Gardens estate in Fitzroy. For some time problems have arisen with that high-rise estate. The problems concern graffiti and significant increases in drug trafficking which have created fear among many tenants and caused difficulties for departmental officers. For a number of years the tenants association has been lobbying for a security system. The current budget provides funds to install monitoring equipment and cameras in the entrances, foyers, lifts and car parks as well as security doors on the external stairwells.

The important point is that there has been a significant decrease in the amount of graffiti. The department has been working with the police and has removed most of the blatant drug trafficking. This morning the tenants association was most

complimentary about the improvements that have been made. Although all honourable members would regret the need to install security equipment, it shows that it has led to a significant improvement in the amenity of that area.

### PUBLIC PROSECUTIONS BILL

#### *Second reading*

Debate resumed from 25 May; motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training)

Hon. B. T. PULLEN (Melbourne) - The Public Prosecutions Bill 1994 has a chequered history. Although a reprehensible draft bill was prepared, it did not proceed, basically because of the force of a well-judged community campaign. Although this bill represents a backdown from that position, it is nevertheless flawed, and the opposition opposes it. The sorry story of the efforts by the Attorney-General and the government to reduce the independence of the Director of Public Prosecutions is very much in the character of the government in attacking the independence of any organisation or public office that has the ability to exercise its independence and criticise the government.

We saw that happen with equal opportunity and, again, with the reduction in arts funding. Indeed, parliamentarians have restricted access to information through changes to freedom of information legislation. However, the peak of this attitude, the peak of this systematic destruction of independence in the community, this repression of people's freedom to criticise and to show independence, is the story of the attempts to nobble the Director of Public Prosecutions.

The separation of powers is extremely important to any judicial system. The public must be confident that justice will be administered without the political interference of the government that happens to be in power at the time. Those countries or communities that have allowed their systems of justice to be corrupted are seen as extremely dangerous; and the opposition views them with dismay. For that to be seen to be occurring in Victoria, even to the slightest degree, is very sad. Even though the government and the Attorney-General have been forced to back away from appointing a deputy Director of Public Prosecutions and arranging the bill in such a way that in many circumstances the existing office holder could be vetoed, it was a serious attempt to reduce the independence and importance of that office.

There is evidence to support the conclusion that the intention was to drive the current incumbent out of office.

Hon. J. V. C. GUEST (Monash) - On a point of order, Mr President, I have been listening very carefully to Mr Pullen and my point of order goes to relevance and imputing motives to the Attorney-General. In attacking the motives of a member of Parliament Mr Pullen is straying from debate on the bill. If Mr Pullen wants to say 'I oppose the bill because I do not think the government is acting in good faith', let him say so and pass on. But he is now describing what he alleges to be a history of government action. His statements do not relate to the bill, which he admits. If he wants to make more than a passing reference to what he believes to be the government's motives, he is out of order.

Hon. B. T. PULLEN (Melbourne) - On the point of order, my remarks are germane to the way the bill has been introduced. There has been considerable debate on the issue. If Mr Guest disagrees with the opinions I am putting, he will have ample opportunity to respond in the usual way. It is important that the house understands the context of the bill. In that sense what I have been saying is but the beginning of the substantial argument I shall make in opposing the bill.

The PRESIDENT-Order! In a debate such as this it is usual to give the lead speaker for the opposition reasonable latitude to set the scene. But in doing so he or she is not allowed to impugn the motives of a member of either this house or the other place. It is obvious that the matter has been widely publicised. The general background to the draft proposals is relevant, but it should not be the major part of the honourable member's speech. Mr Pullen knows very well that imputing motives to other members of Parliament is not permissible.

Hon. B. T. PULLEN - I shall clarify what I have been saying. Some of the provisions that attempt to reduce the independence of the Director of Public Prosecutions can be seen as part of the leaked document, the draft bill. The document went much further and would have been introduced had it not been for the public outcry and the unprecedented opposition of the Victorian Bar Council, the Law Institute of Victoria, the Office of the Director of Public Prosecutions and members of the Supreme Court of Victoria, including judges of the standing of Mr Justice Harper and Mr Justice Michael Kirby.

The people were united in voicing their strong opposition to the proposition the government was entertaining. The draft was clearly government policy, having been discussed in cabinet; so it was not an aberration. The draft bill was withdrawn only because of the public's opposition. Indeed, to their credit, those members of the government who still adhere to some of the principles of small-l liberalism and who believe in the rights of individuals became concerned about the draft bill. As a consequence, the government backed away from the measure, which would have damaged the credibility of the Office of the Director of Public Prosecutions.

Having said that I make it clear that this back-down bill may improve the operation of the Office of the Director of Public Prosecutions. However, some of its provisions are cause for concern, including the issue of contempt. The opposition acknowledges that conflicts of interest could arise in actions for contempt. For example, the Director of Public Prosecutions could be involved in a contempt action against a person he or she may be prosecuting. A theoretical argument can be made that that could give rise to a conflict of interest. Anyone who examines the issue will acknowledge that. However, the Attorney-General has not given any examples, either in reports or in her second-reading speech, of problems that warrant this action.

Clause 46 attempts to remedy that theoretical conflict of interest. It is not a conflict of interest that anyone I know has become particularly excited or concerned about. The clause has the effect of vesting the power to prosecute for contempt of court in the Attorney-General, who can act only on advice from the Solicitor-General. Compared with the theoretical conflict of interest, the conflict of interest that may arise in having the Attorney-General act as the arbitrator of contempt actions is enormous. It could open up the whole system to criticism.

Other people have made the point - this is not meant as criticism of Doug Graham, QC, the Solicitor-General, because I have heard no complaint about the way he provides advice - that the advice that is given is not always clear cut, particularly on complicated matters. There is often a degree of discretion or judgment exercised in deciding the course to be followed. The Attorney-General will be put in the situation of receiving advice about proceeding with a contempt action and making a judgment on it. What will be the basis of the judgment? If the person involved is a prominent public figure such as a businessman or a person who runs a radio program - someone with a public

profile - the Attorney-General is more likely to be subjected to political pressure than would an independent non-elected office holder who does not have to maintain the image of a political party or of a government. It is a profound mistake to shift that responsibility onto a person who can be subjected to the ebbs and flows of political fortune and the pressures that go with that.

It is an incredibly, ill-thought out move to require the Attorney-General to make those judgments while conforming to the spirit of her ministerial oath to act without fear or favour. The accusation will always be there. People will see the connection and doubt that the judgments are sound, particularly in cases where the advice is not black and white.

However, the situation can even get worse. What if the contempt possibility related to another member of Parliament? What if it related to a colleague of the Premier, which was suggested at one time - what position does that put the Attorney-General in? It is not a theoretical conflict of interest; it is a clear conflict of interest! The Attorney-General could be asked to make a judgment in a situation where the person she is to make a judgment on may put her portfolio in jeopardy. It may be a decision that may result in a motion in the party room to remove her from her ministerial position, and that is from a person on the government side. I ask: what if it is a person on the opposition side? It may mean pressure on the Attorney-General to be vindictive, to be seen to score a political point in order to obtain a political advantage. Attorneys-General have consciences, and the Attorney-General could come under considerable pressure to take action of that kind. The matter is serious: there must be honourable members on the government side of the house who are concerned about the shift of independence. There have been no arguments to justify this shift of contempt proceedings away from the independence of the office of the Director of Public Prosecutions into the parliamentary and the political arena. No argument for doing so was presented in the second-reading speech, and I shall be interested to see if the minister in the house is capable of raising a substantive argument on why this is a proper move and why it would work in the interests of preserving the independence of the operation of the contempt laws in this state. This point alone is sufficient grounds for the opposition to oppose the bill.

The structure created in the bill to try to surround the Director of Public Prosecutions is a complicated system. New positions have been created: the Chief Crown Prosecutor, who will hold an equivalent

status to that of a judge of the County Court; a Solicitor for Public Prosecutions; an Office of Public Prosecutions and a Director's Committee, which will comprise the Director of Public Prosecutions, the Chief Crown Prosecutor and, depending on whether the particular matter before the committee has been launched in house, the appropriate senior prosecutor could be involved or counsel could be engaged if advice is sought from outside the office and special decisions are to be considered. They are decisions which are described in the bill. I am not a Latin scholar so I will not attempt to use the legalese, but basically they are decisions not to prosecute. Cases that go against the advice of a Crown Prosecutor or private counsel or decisions to appeal against certain orders of the Supreme Court are regarded as special decisions requiring a meeting of the committee to be called so the matter can be deliberated upon.

It is just a technical point but it is intriguing to me that the bill provides that at meetings attended by three members of the Committee for Public Prosecutions the person presiding is to have both a deliberative and a casting vote. There is probably a technicality there but it escapes me at the moment. However it would be fairly hard for three people to meet where it would require both a deliberative and a casting vote.

Hon. Haddon Storey interjected.

Hon. B. T. PULLEN - It does not go to the point. As the minister interjected, it could be something that happens in actual practice. The substance is that this is the way that the bill means it to be. It is presumably a check on the Director of Public Prosecutions and an implied criticism that has been hanging over the ideology that there was a need to curb the powers of the Director of Public Prosecutions. It is a hangover from the obvious conflict and public friction that occurred between the Director of Public Prosecutions and the Attorney-General over the concept of reducing his or her independence, which the Premier was involved in, and it certainly diminished the standing of the justice system of this state in the eyes of many people. People do not like to see people squabbling over these matters; they prefer to believe that they are kept away from political interference. However it appears to me to be still an attempt not to be constructive but to place some restraint on the independence of the OPP. The bill provides that the director can veto decisions; he has an opt-out situation if he is outvoted so he can still choose to go

ahead, in which case he must advise the Parliament within seven days.

I consider this provision to be a clumsy attempt to surround an office-holder with a committee to try to arrange things in a certain way without facing up to it directly. It is an attempt to make it difficult for the holder of this important office to be seen by the community as truly independent.

From my experience of government management I know it is not a sound way to try to force an organisation to operate. From the portfolios that I have managed I know it is tricky to get people in statutory positions to work and pull together in a cooperative way: they tend to regard their positions as special because they are statutory positions. It is distinct from an organisation in which it is clear where the overall responsibility lies. Sometimes this difficulty is overcome by the quality of the people involved, their ability to relate to each other as human beings and the skill of the chief officer. However, it is not necessarily a good formula for setting up an organisation to work in a harmonious way. One needs only to have among these people someone with the security of a statutory appointment feeling slighted to find that the whole organisation is not working as well as it should and that there are much more friction and problems in the operation than there need be.

From an organisational point of view it is a clumsy system and has certainly not proved to be an improvement. Any organisation is capable of setting up its own internal processes for checks and balances so that it can examine matters and make appropriate decisions, and I do not believe that there is sufficient substantial evidence to justify imposing this structure on the office of the OPP. It is clear that the provision has not been well thought out. It has all the overtones of a hangover from the original friction and attempts to nobble the DPP, and the opposition opposes it.

The bill also provides for the creation of a Committee for Public Prosecutions and a Solicitor for Public Prosecutions and gives the Chief Crown Solicitor and Chief Crown Prosecutor responsibility for improving the way the office is run and to consider separating the executive and financial management functions of the office from judgments on the law.

It has been suggested that a person well trained as an advocate and barrister will not always have the same abilities in the day-to-day management and

financing of executive activities. That is a generalisation which may be true in some cases, but it can also be true that a person who excels in one field can also excel in administration. I am not concerned about those types of changes if they improve the operation and machinery of prosecutions in this state and if they do not challenge the authority or independence of the office.

As the minister who represents the Attorney-General in this house said in a slightly unguarded moment, it was a very boring, dull second-reading speech and perhaps we might have to agree with some of the things put in it. That could be interpreted as a subliminal expression of dissatisfaction with the whole concept, but I am sure the minister would not agree. Nevertheless, I do not intend to go into all those matters in the same detail because time will tell whether these arrangements will result in improvements.

The quality of appointees will be critical. It will be important that people of high standing and experience are appointed to those positions and that they are able to carry out their work effectively and efficiently. However, I did notice in the second-reading speech an implied financial criticism of the office. I took the trouble to look at some of the annual reports and the few figures I found do not seem to stand up all that well to scrutiny.

Although there has been an increase in the amount of funds devoted to hiring private counsel, the figures I discovered are not out of keeping with the way the general expenses of the office have gone anyway. There has been an increase in the total funds expended by the office of the DPP, but it is not enormously dramatic. In 1987-88 the expenses of the office were of the order of \$11 million; in 1988-89 they were about \$11.7 million; in 1989-90 just under \$14 million; in 1990-91 about \$15.5 million; in 1991-92 about \$15.5 million; and the same in 1992-93. The final figure might be a bit more but there has been a levelling off in the past five years.

I also have the figures for money spent on salaries and private prosecutors, which in 1987-88 was \$5.2 million for salaries and \$3.4 million for prosecutions; in 1988-89, \$5.9 million and \$4.9 million; in 1989-90, \$6 million and \$6 million; in 1991, \$7.7 million and \$7 million; and in 1992, \$7.9 million and \$6.9 million. I was not able to obtain the figures for 1992-93 from the parliamentary library but the figures I have show that there has not been a dramatic change in those funding patterns. They show initial growth and a reasonably steady

## PUBLIC PROSECUTIONS BILL

Friday, 27 May 1994

COUNCIL

987

increase in expenditure. Whether that is an indication of an effective way of getting the best value from the expenditure is a difficult question which cannot be answered by looking at the figures.

Of course the amount expended could be influenced by a few complicated cases in a given year which require expensive counsel. But that cannot be argued given the figures provided in the second-reading speech and the fact that no reports or independent reviews were done. The opposition is not as strongly opposed to those parts of the bill as it is to the provisions relating to contempt powers, the committee or complicated structure set up to surround the OPP.

I also understand that the OPP is not violently opposed to the bill in its present form. That is probably a sign of his maturity and his recognition that enough damage has been done already as a result of the public conflict between the Attorney-General and such an important officer of this state. I imagine that he would not want to prolong that even if he did not agree with some parts of the bill because it is better that he get back to the job of demonstrating to the people of Victoria that they have a sound justice system which does not spend its time on disputes between the Attorney-General and parts of the legal system including the Victorian Bar Council, Supreme Court judges, civil liberty advocates and people generally concerned about the operation of good justice in this state and who rose up to protest against the government's action. That conflict should be settled, and in that way the DPP is showing great maturity.

That is briefly a summary of the opposition's arguments against the bill and why it believes it is a backflip by the government. It is ill-judged, its contempt changes are dangerous and it sets a backward precedent. It draws to the attention of the people their confidence in the separation of powers between the political arm of government and the justice system. The opposition opposes the bill.

**Hon. J. V. C. GUEST (Monash)** - To my surprise I start by offering a qualified commendation to Mr Pullen, even though he has taken the slightly paranoid line that the opposition has persisted with over some months. His arguments are misguided and he is fundamentally wrong about this bill. Despite that, he has shown up the rabble in the other place - that is, the honourable members for Melbourne, Sunshine and the Leader of the Opposition, who found it quite impossible to speak on the bill. I am not able to say whether that is

wholly an intellectual difficulty or whether it is a moral or political deficiency. Mr Pullen has attempted to discuss the bill and for that I commend him, not least for what that says about the generality of members of the opposition.

The bill would have disappeared without public trace in this parliamentary sitting had it not been for a theft or misdemeanour last year that had some connection with the Attorney-General's office and as a result of which unjustified apprehensions were fanned by those who have no constructive part to play in the government of this state and, indeed, who had no constructive part to play in the government of the state for many years prior to 1992. Those people are responsible for a great deal of ill-founded apprehension.

In the spirit in which he spoke about the bill, Mr Pullen eventually came around to discussing matters of substance. As chairman of the Attorney-General's bills committee, on which serves a wholly competent and attentive membership, I can say that an ingredient in all the government's legislation relating to the Attorney-General's portfolio is that it comes to the committee for thorough investigation before it becomes a bill that is introduced into Parliament. That leaked - stolen - document had never come to my committee. It was, in effect, an internal working document at an early stage of a very proper development of policy. Although sometimes if one is a member of a political party one speaks merely as an advocate, I personally have not the slightest doubt that the bill that was introduced into this house has not been made different in any particular or in any respect because there was an early version of some sort on this subject leaked to the press.

I would regard it as not only personally offensive, but also offensive to the Attorney-General and the members of my committee if it were suggested that we required some sort of hysterical noises in public to be made for us to arrive at what I believe is a sound bill.

Let us look at the bill for what it is. It is essentially about the administration of the prosecutions system in this state and has nothing to do with curbing the Director of Public Prosecutions in the performance of his duties. The bill has had added to its essential function of trying to improve the administration and cost effectiveness of prosecutions in this state some additional elements that are timely to include when we have reason to bring forward a bill dealing with the prosecutions system.

I turn to the starting point. As a former minister, Mr Pullen should remember a request of the Director of Public Prosecutions approximately three years ago for a deputy to be appointed to handle administration. Going a little further back, and Mr Pullen may not be aware of this, the former holders of the position, the current Chief Justice of the Supreme Court and Mr Justice Coldrey, did not in any substantial way appear in court yet they were distinguished criminal lawyers. They ran the organisation, which was a big responsibility, from the office. They made the important decisions, which are the duty of a director of public prosecutions to make with respect to prosecutions but did not themselves appear in major cases. Mr Bongiorno, the current director, changed that practice and wanted the kind of administrative support that was necessary to enable him to appear in court.

It has been suggested that there was something special or peculiar about the fact that Mr Bongiorno was not a criminal lawyer in his earlier practice. All one has to say about that is, even if that was some sort of motive for him to obtain experience of appearing before the full court of the Supreme Court in criminal matters, the High Court of Australia, which is the final arbiter in Australia on matters of criminal law, has perhaps never had a criminal lawyer as one of its members and very few Supreme Court judges were criminal lawyers. The important consideration is to have in a high office, whether judicial or law office, a person who is distinguished as a lawyer and, in this case, as an advocate.

The bill can be traced back to the director's own request. In October and November 1992 there must have been some awareness among opposition members that the Attorney-General had inherited the mess, waste and indebtedness left by the previous government, as had all other ministers, and therefore had to attend to serious budgetary matters. Those matters were so pressing that I can recall the Attorney-General saying, 'But if we make that amendment to the bill' - and I have said already that the bills committee looks at legislation minutely - 'it will cost another \$300 000'.

We are not talking here about \$300 000 - Mr Pullen read out a number of figures; we are talking about costs for the employment of private counsel that have risen in recent years to the level of \$7 million and more. The need to bring the budget for prosecutions under control was the fundamental reason for taking a serious look at the whole system of prosecutions.

Once that was undertaken it became apparent that elements of the director's own ideas and elements which one might say were a priori-perhaps, as most solicitors would say, based on the fact that barristers practise as individuals and have never run anything like a large solicitors' office - combined to mean that the setting up of what amounted to a large solicitors' office under the Director of Public Prosecutions was the obvious way to relieve the DPP of the administrative burden which could only handicap him in performing his principal functions and which he did not want. That is why this substantial bill is before the house.

At the same time, others in the community, not just the opposition, were saying things about the prosecutions system which I believe to be largely unjustified but which were raising doubts about elements of the system. I have no problem in saying that the Victoria Police Association has in one or two cases behaved as do some of the unions that keep such a tight reign on the opposition, except when they want them to behave badly, in which case they let them off the leash. Understandably, the Victoria Police Association wanted to maintain the morale of its members. One way of doing so was to say, 'We will support our members, our people'. I do not believe some of the ways in which the association supported its team, including the way it criticised the Director of Public Prosecutions, can be justified. However, I have given the house one example where the opposition was not the prime mover in generating public concern about the prosecution system. I will give another.

With the assistance of media beat-ups, the Victims of Crime Assistance League (VOCAL), other organisations and some individuals concerned about victims of crime made it appear as though the prosecution system did not give proper consideration to victims. Given my background at the bar, I would not be surprised if some barristers were not as sensitive as they should be to victims' perception of events in court. I do not believe any major criticism should have been aimed at the Director of Public Prosecutions in particular. Nevertheless, it has become desirable to introduce substantial legislation dealing with the prosecution system to improve the imperfect legislation introduced by the previous government.

The bill formally recognises the interests of victims, which has been amply discussed. Also, it is designed to ensure a transparent and more accountable system. That will avoid the possibility of people being able to point to the prosecution system,

say, 'There are funny things going on because the system is all covered up'.

If there is substantial disagreement among senior people in the prosecution system, that will become known to Parliament in a formal sense, being the subject of debate and of questions to the Attorney-General if needs be. That is about as far as anybody could reasonably go in ensuring that the vital subject of prosecution decisions is open to public scrutiny, which is more likely to promote public confidence in the system.

I turn to the issue of contempt. Despite having done some homework, Mr Pullen neglected to say that in most jurisdictions in Australia the normal procedure is to have the Attorney-General bring contempt proceedings. That has been the traditional way of doing things, the reason for which is clear. If somebody being prosecuted under the auspices of the Director of Public Prosecutions put on a public performance of gross contempt, it would not look as though justice had been done, even in the most obvious case of contempt of court, if the Director of Public Prosecutions decided that, in addition to criminal proceedings against the defendant, contempt proceedings should also be brought. Equally, justice would not be seen to be done if the director did not make the decision to prosecute or if he said he was in too difficult a position to attempt proceedings. It should not be surprising if the Director of Public Prosecutions, knowing perfectly well that this is not an attempt to get at him, were perfectly happy to go along with what I say is the usual procedure in other jurisdictions.

An honourable member interjected.

Hon. J. V. C. GUEST - I am not at all sure that I heard what Mr Pullen had to say concerning Mr Bongiorno's feelings about the proceedings.

It is important to realise that this bill - not some imagined and undeveloped legislation derived from a stolen document - is a product of the most extensive consultation by the Attorney-General, her officers and the Attorney-General's bills committee. It has been approved of by the Victorian bar, the Law Institute of Victoria and, just for the record, accepted by the Director of Public Prosecutions.

I commend Mr Pullen on his attempt to construct an argument on contempt. Instead of behaving like the ratbags in the other place, he has attempted to be an advocate.

**The DEPUTY PRESIDENT** - Order! Mr Guest should know that it is not proper to cast aspersions on members in the other place.

Hon. J. V. C. GUEST - I am sorry. I withdraw that description of them. It is their behaviour I was concerned about.

Hon. D. R. White - So they behave like ratbags.

**The DEPUTY PRESIDENT** - Order! Mr White will cease interjecting. I have said that under the standing orders it is wrong to cast reflections on another place, even by interjection. I ask Mr White to withdraw that interjection.

Hon. D. R. White - I withdraw. What about an answer?

Hon. J. V. C. GUEST - I would have to withdraw it. Mr Pullen developed a hypothetical case of conflict involving the Attorney-General; but he knows perfectly well what an important part of the answer is. A careful reading of the bill shows that the Attorney-General cannot bring a proceeding for contempt without it being in accordance with the advice of the Solicitor-General. However, in circumstances where he or she is prepared to explain to Parliament why a different decision has been made, he or she may decide not to bring proceedings for contempt notwithstanding the advice. If that is so, the political sanction is obviously much stronger than any sanction against a quiet word in the ear of some hypothetical colleague who was Director of Public Prosecutions.

If the Director of Public Prosecutions forms the view that contempt proceedings ought to be considered - he will still make that kind of decision - he will draw the matter to the attention of the Attorney-General and no doubt provide his arguments to the Solicitor-General. If his advice is not acted on the Parliament will be aware of it because of the annual report of the OPP. The intention of the bill is not to make life easier for the Attorney-General; it does not take much imagination to realise that the Attorney-General would rather be without this power.

**Hon. D. R. White** - We'll explain it to you later. If Bongiorno disagrees with people in the Office of Public Prosecutions it is not necessarily going to be reported in Parliament - only when they agree to disagree.

Hon. J. V. C. GUEST - You are forgetting two points, Mr White. If the OPP forms the view that contempt proceedings ought to be brought he will inform the Attorney-General and give his reasons to the Solicitor-General. I have no doubt that if the Solicitor-General's advice is not to follow the course taken by the OPP it will appear in the annual report of the OPP. I spoke to the OPP to find out why he is happy with the legislation and he openly acknowledged that there is no derogation from the right of the OPP to have a proper say in matters of contempt.

The Attorney-General might properly and without encountering the political danger I have spoken of decide that, despite the advice of the Solicitor-General, contempt proceedings should not be brought. It might be as simple a matter as the ill health of the proposed defendant. If the case were technically very sound but involved the bringing to court of somebody who was dying, not a member of this house or even of the other house would suggest that it was politically or morally wise and decent to prosecute such a person for contempt except in the most extraordinary circumstances. For the reasons given to Parliament, the Attorney-General will be able to act in a manner that does not accord with the advice of the Solicitor-General that contempt proceedings are appropriate.

By way of interjection Mr White raised the matter of the special decisions and the reporting to Parliament of disagreements between the OPP and other members of the committee. If Mr White is suggesting that not all disagreements will be made known to the house I agree with him. Under the procedure that is being established, it seems that only when two senior prosecutors - one of whom might be private counsel - want their difference with the OPP made known publicly and insist on their advice being given in a certain way will the provisions be brought into effect. That is appropriate. We do not want accountability that results in a flood of irrelevant information; we want accountability that will allow the public and Parliament to know when senior members of counsel have a disagreement with the OPP that is sufficiently strong for them to decide that the matter should come to Parliament. If that is the way it works, I argue that it is appropriate and reasonable.

The bill deals with other small matters as a result of the consideration of what might be done to enhance the prosecution system. Once the fundamental decision was taken that it was time to improve its administration, economy and accountability. The

legislation does those things. For that reason I commend the bill to the house.

Hon. JEAN McLEAN (Melbourne West) - The opposition opposes the bill. The Attorney-General was thwarted in respect of the draft bill, and although Mr Guest said it was a working paper we have proof to suggest otherwise. Because of the weight of the opposition to the original bill it was dropped, but the Attorney-General is persisting with her attempts to remove the power of the OPP to bring contempt charges and to place those powers in the hands of the Attorney-General.

The opposition does not support the concept of the Attorney-General having the power to decide who should or, more importantly, who should not be charged with contempt. The opposition believes very strongly in the separation of powers and cannot support legislation that places the criminal law in the hands of an elected official and a member of the executive.

The Attorney-General and the Premier seem determined to remove all the independent voices who dare to criticise the government and its policies. It sacked Moira Rayner; it disbanded the Accident Compensation Tribunal; it removed the Office of Public Advocate; it attacked Mr Justice Fogarty; and it decided to find a mechanism to get rid of Mr Bongiorno. It had no grounds to dismiss him and neither the Attorney-General nor the Premier challenged his ability to do his job properly. However, a bill was drawn up to create the position of deputy to restrict certain powers of the director.

The Premier attacked the OPP very publicly on radio and in the press. An article in the *Age* of 1 April states:

The Director of Public Prosecutions was guilty of a 'huge double standard' in prosecuting broadcaster Derryn Hinch for identifying a child sex victim but refusing to prosecute a member of the clergy charged with soliciting, the Premier, Mr Kennett, said yesterday ...

'I think the whole system of these independent bodies that are fundamentally answerable to no-one but cost us all a fortune should be reviewed,' he said ...

'I find it very difficult to follow the actions of the DPP's office at times'.

'I still have concern about the way it manages its affairs and its priorities'.

The original bill required the Director of Public Prosecutions (DPP) to get the written permission from his deputy before he was able to make presentments of persons for contempt. The bill also required the DPP to get written permission from his deputy to make a presentment of a person for any indictable offence when the Crown Prosecutor had declined to do so. In addition, the deputy director was answerable not to the director but to the Attorney-General.

To work out this Machiavellian bill the Attorney-General and the senior Crown Counsel, Greg Craven, known in the press as her Rasputin, enlisted Nick Papas, a junior counsel, working for the DPP to assist in drafting the bill to destroy the job of his boss. The price paid to Nick Papas for his services appears to be that he was plucked from obscurity and made Chief Magistrate - the first person outside the Magistrates Court to be placed in its most senior position. One cannot help feeling the motives behind this whole exercise were sinister because it was clearly a case of political interference in the judicial system.

When the draft bill was leaked to the *Age*, the Attorney-General assured the DPP that the bill was merely a discussion draft, as Mr Guest suggested, and that it had no status whatsoever and had never been before cabinet, but the Attorney-General subsequently confirmed that the bill was draft legislation and government policy. Not surprisingly the DPP accused the Attorney-General of misleading him and suggested that the government was trying to force him out of office. The Attorney-General was apparently so upset about the draft bill being leaked she ordered an unprecedented investigation into the leak. The police questioned the shadow Attorney-General, the honourable member for Melbourne, and *Age* journalists who wrote the article. It was a highly political task to be given to the police. It seems strange or even eccentric behaviour on the part of the Attorney-General, especially as she had leaked the same draft bill to the *Herald Sun*, which promptly wrote an editorial supporting it.

Under the Freedom of Information Act the opposition has been denied 45 documents in relation to the restructure of the office of the DPP. One must believe that these documents would reveal a deliberate plan to destroy the DPP. I say that because we have not been allowed to have those documents; we can only go by the leaked information and the statements made by the Premier, the Attorney-General and the DPP. We do

know that on 3 August 1993 the DPP called for a transcript of the comments made by the Premier on the *'Ray Martin Show'* in regard to a Frankston murder case in which the man had not been charged. The DPP said that he would consider contempt charges against the Premier for having made comments that may have prejudiced the trial.

During the time when Mr Elliott undertook legal efforts to prevent the National Crime Authority (NCA) charging him with theft and conspiracy, the counsel for the DPP, Mr Frank Costigan, QC, alleged that Mr Elliott wrote to the Attorney-General and the Minister for Police and Emergency Services urging them to intervene in his matter. It was stated in the press that letters had gone to both the Attorney-General and the Minister for Police and Emergency Services complaining about what had happened to Mr Elliott and saying that it would be a good idea if the ministers examined the whole office of the DPP before charges were laid.

Mr Elliott worked hard to discredit the DPP and the NCA when he was trying to stop charges being laid against him. Honourable members know that Mr Elliott was a former president of the Liberal Party and he is a close friend of the Premier. We know that the Victoria Police Association ran a vicious campaign against the DPP because he had pursued charges against a number of police officers. The campaign by the Police Association was waged in the press and culminated in the disgusting document sent to all members of this Parliament. I find it frightening that the police feel they can run campaigns against the DPP with immunity. During the time when the police were running this campaign, on 26 February, it ran a large article in the *Age* with the headline 'The police and the prosecutor' by Paul Conroy and Mark Bruer, which stated:

At the Police Club opposite the Victoria Market, graffiti is scrawled over the whitewashed walls of the men's toilets. Above the urinal obscenities are used to describe the Victorian Director of Public Prosecutions, Mr Bernard Bongiorno, QC. Someone has written his epitaph: 'Bye, bye, Bong'.

The article goes on to describe a rather unpleasant cartoon of Mr Bongiorno on his knees before a smiling police officer holding a glass of beer and smoking a cigarette. The policeman says, 'We win' and Mr Bongiorno replies, 'I'm a loser'. This is the sort of deliberate vicious campaign run by the police because some police were charged, and by Mr Elliott, because he was charged. Elliott is a

## PUBLIC PROSECUTIONS BILL

992

COUNCIL

Friday, 27 May 1994

multi-millionaire and has friends in high places. The Police Association has a large media unit. This makes it difficult for people like the OPP to do their jobs properly. On one side are the parties attacking the OPP, which include: the Police Association, the Victims of Crime Assistance League (VOCAL), Mr Elliott, the Premier, the Attorney-General and the Victorian government.

On the other side, organisations that support the independence of the Director of Public Prosecutions and the Westminster principle of the separation of powers include the Victorian Bar Council, the Law Institute of Victoria, the Criminal Bar Association, the Victorian Council for Civil Liberties, the International Commission of Jurors, the Legal Aid Commission, the Chief Judge of the Family Court, Arie Frieberg, Feminist Lawyers, Xavier Connor, QC, and of course the state opposition.

It was because people of this calibre were concerned and opposed the draft bill that the Attorney-General had to back down on it. However, the public statements of the Attorney-General and the Premier attacking Mr Bongiorno showed that the Attorney-General was determined to remove at least the power of the Director of Public Prosecutions to decide contempt charges. In view of the comments by the Premier about his friends in high places and Derryn Hinch and so on, I am sure it was considered that it was not fair that those people could be charged with contempt.

The Attorney-General has decided to remove the power of the OPP to decide contempt charges, take control of the budget from the director and set up a committee for public prosecutions. The opposition opposes the establishment of the committee because it is not being set up to aid the administration of justice; along with other changes, it is designed primarily to restrict the powers of the OPP.

The director can act contrary to the advice of the committee by submitting to the Attorney-General who must then submit within seven days to Parliament - written reasons for not complying with the committee's decision. That impinges on the doctrine of the separation of powers. The decisions in individual cases should be left to the OPP. The opposition does not believe the director should have to consult on so-called special decisions.

When commenting on criticism about the grand prix, the Premier said:

There will be no further review - the only people who ever ask for committees or reviews are those who cannot make decisions.

We believe the Director of Public Prosecutions can make decisions without a committee. For once I agree with the Premier.

Hon. Haddon Storey - He'll be delighted to know that.

Hon. JEAN McLEAN - I am sure he will be. It would be best for this whole sorry episode that started with the attacks on the OPP to be mended so that Victoria can have a proper, independent OPP. This measure should be dropped altogether. The opposition opposes the bill.

Hon. D. A. NARDELLA (Melbourne North) - I also oppose the bill. It continues the attack on the independence of the Director of Public Prosecutions and the theme the government has been pursuing over recent times. The establishment of the position of Director of Public Prosecutions was a major reform put in place early in the Cain administration in 1982.

The OPP plays an important role in independently carrying out prosecutions on behalf of the Crown. That needs to be done independently, because if it is not, political and financial considerations could be the driving forces that determine what happens in our public prosecutions system.

The Bill is another part of the change proposed by the government to the structure originally established in 1982. However, the government has done so without conducting any sort of review or consultative process and without laying on the table the criteria for a review. It has done so in a surreptitious way without informing the public. In fact, no one knew about the preparation of the bill until the documentation was leaked. It was prepared without the involvement of the Director of Public Prosecutions and without consultation with lawyers and the bar association, the civil libertarians and so on. Its purpose is to attack the position and running of the office of the OPP. Therefore, because there has been no review or consultative process, the basis of the bill is wrong. It is not right to make major changes such as those proposed in the bill without instituting a consultative or review process.

I have expressed my concerns about the review of the Public Advocate, but at least in that case the government is undertaking a review. The changes

relating to the Public Advocate are different from the changes in this bill; all the information has been made available up front and all the interested parties have an opportunity to be involved. However, that was not the case in the preparation of this bill. It was only after details were leaked in the media that the public found out about these changes; before it came to the notice of the general public through the shadow Attorney-General, Mr Cole, it was kept under wraps and secretly prepared.

Mr Guest talked about it being a stolen document. The document was photocopied and as such was not stolen. The point also needs to be made that the document should have been made public because it proposed direct changes to the operations of the office of the OPP. Instead it was prepared surreptitiously so that the community could not be involved in discussion and debate on it. Therefore, when the document was leaked the reaction was quick and swift. I do not need to detail the reaction of the community - it has been highlighted by Mr Pullen and Mrs McLean. There was certainly much community concern about it. Also, it was not a draft discussion document as the Attorney-General claimed; it was a draft bill.

In the *Age* of 13 December the Attorney-General confirmed that it was a draft bill. At that time the draft bill was in the process of being discussed rigorously and the Attorney-General leaked it to the *Herald Sun*. It appears that it is all right for the government to do that but the opposition is accused of being underhanded if it adopts that course. Sometimes documents do fall off the back of trucks. Sometimes they are given to the opposition. An opposition that is doing its job will take the opportunity of exposing the government and of forcing it to account for its actions. It is the opposition's duty to release such information.

I again refer the house to the separation of powers issue, which I have also raised in previous debates. I have significant concern about the separation of powers issue. The bill affects the separation of powers in a detrimental way. Opposition speakers have explained how the process is put in place and how in the final analysis the Attorney-General must determine whether contempt proceedings should go ahead. The final decision is made not by an independent person or committee but by a political person who, no matter whether it is the present incumbent or future incumbents, has a political bias or view and is influenced in that sense. In other states where there is not this independence there is corruption. Where there is not independence

societies cease to function efficiently and justly. Societies must then deal with those new circumstances. I am not suggesting it will happen immediately with the government - and I hope it will never happen - but the bill provides the opportunity for it to occur in the future, whether under a Labor or Liberal-National government.

I express concern that political influence will affect the decision of the Attorney-General as to whether he or she should institute contempt proceedings. All around us we see political power and political vested interests that put pressure on governments and oppositions to adopt certain courses of action. It is not only outside interest groups, whether they be media organisations, media personalities or community groups that have powerful vested interests such as the Melbourne Club; other politicians may be affected by the outcome of an Attorney-General making a decision whether to proceed with contempt action.

If I were the Attorney-General and a recommendation came to me about charging the Premier of the state with contempt, I would imagine a lot of pressure would be placed on me not to proceed. That is part of the political process. However it is not just a hypothetical situation because it has already occurred with the present government. The Director of Public Prosecutions had to determine whether to proceed with contempt action against the Premier. He was able to make that decision without the political and vested interest issues impinging on his determination of the issue. He was not affected by a political concern in having to make the decision; the OPP was an independent person making a decision based on the law and the facts about an individual, whether he or she be a politician or any other citizen. That is how it should be. When a person is in a senior position he or she should not be influenced by the Derryn Hirlches, the Neil Mitchells and the Randal Macdonalds of the world, or the *Herald Sun* newspaper in making a decision. No political pressure should be brought to bear on a senior public officer to make a decision. That would be unbearable. The Secretary of the Victoria Police Association could place himself or herself in a position of contempt. Imagine what pressure would be placed on an Attorney-General in a conservative government in determining whether to institute contempt proceedings. They would be massive, including pressure from politicians within his or her own party. The police would try to influence the Attorney-General in order to protect one of their own. Mr Guest referred to that in his contribution. I believe the pressure would be

# PUBLIC PROSECUTIONS BILL

994

COUNCIL

Friday, 27 May 1994

unbearable and a political person should not be placed in that position.

Mr Guest also referred to the Police Association 'supporting their team'. I am upset that the Police Association, in attacking the personal integrity of Mr Bongiorno, saw fit to use the grief of a family to put forward a case against him. I am sad that the personal circumstances of that family were used in that way.

It is inappropriate that in attacking a public person who could not defend himself, members of Parliament were used and urged to become prosecutors and to become a law unto themselves in having decisions changed. Those procedures are now null and void. It smacks of a very sick system of justice when politicians determine what is good and what is bad and what process should be used for the judicial process system. I was saddened when that correspondence was placed in my mail box in Parliament House. It is sad that Mr Bongiorno was not supported by others in the government when the attack occurred. The Victoria Police Association lent its support, but I found it difficult to understand why that incident occurred.

I am genuinely concerned about the proposed system. There was no open debate when the legislation was initially proposed; it has been based on getting the OPP, as has been explained here and in the other place. That is a bad way of enacting legislation. No government, be it Labor or Liberal, should work through a legislative program on the basis of getting rid of an individual in a particular office.

I do not support the bill. It will not assist in the good running of this state, although I must add that Mr Bongiorno and his staff, who have always acted with integrity, will continue to act with integrity under extreme pressure. The opposition cannot support this bill.

House divided on motion:

*Ayes, 26*

|                               |             |
|-------------------------------|-------------|
| Asher, Ms                     | Evans, Mr   |
| Ashman, Mr ( <i>Telln</i> )   | Forwood, Mr |
| Atkinson, Mr ( <i>Ttler</i> ) | Guest, Mr   |
| Baxter, Mr                    | Hall, Mr    |
| Best, Mr                      | Hallam, Mr  |
| Bishop, Mr                    | Knowles, Mr |
| Bowden, Mr                    | Skeggs, Mr  |
| Bridson, Mr                   | Smith, Mr   |
| Connard, Mr                   | Stoney, Mr  |

Cox, Mr  
Craig, Mr  
Davis, Mr  
de Fegely, Mr

Storey, Mr  
Strong, Mr  
Wells, Dr  
Wilding, Mrs

*Noes, 12*

Davidson, Mr (*TdIn*)  
Gould, Miss  
Henshaw, Mr (*Teller*)  
Kokocinski, Ms  
McLean, Mrs  
Mier, Mr

Nardella, Mr  
Power, Mr  
Pullen, Mr  
Theophanous, Mr  
Walpole, Mr  
White, Mr

*Pairs*

Birrell, Mr  
Varty, Mrs

Hogg, Mrs  
Ives, Mr

Motion agreed to by absolute majority.

Read second time.

*Third reading*

Hon. HADDON STOREY (Minister for the Arts) - By leave, I move:

That this bill be now read a third time.

In doing so, I thank the honourable members for their contribution. Mr Pullen raised two basic issues. One was about contempt powers being given to the Attorney-General. I have only two comments on that; firstly, there were no problems for 100 years or so until the legislation for the Director of Public Prosecutions (OPP) came into effect in 1982; and secondly, the bill makes it clear that the advice can come only from the Solicitor-General.

So far as the structure is concerned, the OPP has acknowledged that the provisions are workable.

The PRESIDENT - Order! I am of the opinion that the third reading of this bill requires to be passed by an absolute majority. So that I may be satisfied that an absolute majority exists, I ask members supporting the motion to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Passed remaining stages.

## WESTERNPORT (CRIB POINT TERMINAL) BILL

### *Introduction and first reading*

Received from Assembly.

Read first time for Hon. W. R. BAXTER (Minister for Roads and Ports) on motion of Hon. R. I. Knowles.

## LAND (REVOCATION OF RESERVATIONS) BILL

### *Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. R.M. HALLAM (Minister for Regional Development).

## MELBOURNE EXHIBITION CENTRE BILL

### *Second reading*

Debate resumed from 26 May; motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

Hon. D. R. WHITE (Doutta Galla) - The purpose of this bill is to establish a Melbourne Exhibition Centre Trust to provide for the management of the new exhibition centre on Southbank. The opposition does not oppose the government's proposal. It notes that in taking this step the government is quite clearly not intending to continue with the operations of the existing exhibition trustees, who I presume over the next two years will cease to exist.

I would be grateful if the minister outlined to the house what the role of the existing exhibition trustees body will be during the transitional period, whether it will have any responsibility for the emerging exhibition centre, when the new Exhibition Centre Trust will be formed and when it will become effective.

I indicate that although the government intends to establish a trust and organisation in a legislative sense to carry out this activity, it has not done so with the grand prix. Using this initiative used to establish a trust to run the exhibition centre as an analogy, a similar body should be established to run the grand prix; it should not be the continuing

responsibility of the Melbourne Major Events Co. Ltd or its subsidiary, Melbourne Grand Prix Promotions. In other words, the model used for the new exhibition centre should be seen as an example of what is possible for the grand prix. The opposition does not oppose this measure.

The PRESIDENT - Order! I am of the opinion that the third reading of this bill requires to be passed by an absolute majority. So that I may be satisfied that an absolute majority exists, I ask members supporting the motion to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time.

Hon. HADDON STOREY (Minister for the Arts) - By leave, I move:

That this bill be now read a third time.

Mr White's contribution to this debate raised a number of questions about the existing trustees of the Exhibition Building. I am not able to provide answers to those questions. Obviously it is a matter for the minister responsible in the other place, the Minister for Industry and Employment. However, I will pass the question on to him and ask him to provide a response to Mr White.

The PRESIDENT - Order! I again ask honourable members supporting the motion to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Passed remaining stages.

## WESTERNPORT (CRIB POINT TERMINAL) BILL

### *Second reading*

For Hon. W. R. BAXTER (Minister for Roads and Ports), Hon. R. I. Knowles (Minister for Housing) - I move:

That this bill be now read a second time.

## WESTERNPORT (CRIB POINT TERMINAL) BILL

996

COUNCIL

Friday, 27 May 1994

Due to the decline of crude oil production from Bass Strait, which from 1995 is estimated to fall markedly, there will be a need increasingly to use overseas crude for processing petroleum products.

The operators of Victoria's two oil refineries, Mobil Oil Australia and Shell Australia, as a joint venture, have formed a company, Crib Point Terminal Pty Ltd, and have purchased the former BP refinery site at Crib Point on Westernport Bay which is adjacent to the port of Hastings. That location has been chosen by the joint venture as it is a site where they consider an oil terminal facility can be constructed to enable the economic off-loading and storage of imported crude prior to its conveyance to the refineries for processing.

The bill before the house will assist the development and operation of the proposed new terminal. The legislation applying to the old BP site and an adjacent parcel of land is overhauled by the bill to smooth the path for this critical commercial development which the government firmly supports.

The principal act, the Westernport (Oil Refinery) Act 1963, is heavily amended by the bill to ensure its proper application to the new terminal project. The bill renames the act as the Westernport (Crib Point Terminal) Act. While much of the principal act and in particular the agreement it gave effect to in relation to the responsibilities of the government and at that time BP are no longer relevant, the act remains important in so far as it provided for the initial construction and subsequent operation of an authorised pipeline from Crib Point to Dandenong along an approved route.

The prime purposes of the bill, in simple terms, are to ensure that the route of that pipeline is clearly identified and to ensure the easements for the pipeline are in effect transferred to the new company for its oil terminal purposes. Most of the non-Crown land subject to the pipeline and relevant title particulars and easement information have been located and identified thereby enabling Crib Point terminal to effectively step into BP's shoes for the purposes of these pipeline easements. In the case of Crown land and certain parcels of freehold land where rights and burdens in relation to the existing pipeline could not be determined with certainty, the bill provides for the creation of statutory easements and covenants. The overall intention and effect is to ensure a clearly identifiable pipeline route and easements with consistent rights and obligations applying throughout.

The bill also provides for a parcel of land adjacent to the Crib Point jetty to vest in the Port of Melbourne Authority. This land was effectively taken away from its then beneficial holder, BP Australia Ltd, and returned to the Crown in 1991 by operation of the Westernport (Oil Refinery) Land Act 1990 in the hope that the state could lease or licence it for a commercial development then in prospect.

That development did not eventuate and the current arrangements for ownership mean that before the Port of Melbourne Authority as the manager of the associated port of Hastings can negotiate on any commercial development on land that is declared to be part of the port of Hastings, the authority must seek the agreement of the Department of Conservation and Natural Resources. Accordingly, potential users of the Crib Point jetty facility face dealings with two levels of bureaucracy, which is unacceptable.

### CONSTITUTION ACT 1975 - SECTION 85(5) STATEMENT

I make the following statement under section 85(5) of the Constitution Act 1975 of the reasons why the bill alters or varies that section.

Clause 7 of the bill inserts in the principal act new section 16, which states that it is the intention of that section to alter or vary section 85 of the Constitution Act 1975 to the extent necessary to prevent the Supreme Court entertaining actions for compensation in circumstances in which no compensation is payable by virtue of section 15.

New section 15 provides that no compensation is payable by the Crown or the company in respect of the extinguishment, creation or variation by this act of any interest, right, privilege or obligation over land.

The reason for preventing the Supreme Court from having the actions referred to brought before it and for preventing the court from awarding compensation are that these might frustrate or impede the purposes of the bill, which are to give effect to a scheme which will be beneficial to the community as a whole. It is important to recognise that the pipeline easements dealt with by the bill have existed over relevant land for many years, and the bill basically confirms their existence.

I commend the bill to the house.

Debate adjourned for Hon. PAT POWER (Jika Jika) on motion of Hon. T. C. Theophanous.

Debate adjourned until next day.

## LAND (REVOCATION OF RESERVATIONS) BILL

### *Second reading*

Hon. R. M. HALLAM (Minister for Local Government) - I move:

That this bill be now read a second time.

This bill provides for the revocation of the reservations of the parcels of Crown land which it is proposed to sell.

The land dealt with in this bill is the Southern Cross Hotel site, a portion of the site best known as the Victoria College of Agriculture and Horticulture and a portion of the Lakeside Psychiatric Hospital site.

The Southern Cross Hotel stands on an area of land permanently reserved for municipal and other purposes on 9 May 1934. The land was reserved to enable its use as a market site until the mid-1950s when the scope for commercial application of the site was enhanced. The land was for a long time held under lease by Southern Cross Properties Pty Ltd. The lessee experienced financial difficulties and the lease was taken over by the mortgagee in possession. The Republic of Nauru subsequently acquired the interest in the lease and now wishes to acquire the land and develop the site as a hotel and residential complex.

The site is to be sold to enable the redevelopment of the site, providing an opportunity for the substantial revitalisation of this important Melbourne landmark.

The Institute of Plant Sciences formerly occupied a portion of the Victoria College of Agriculture and Horticulture. The remainder of the site is to be granted to Melbourne University under the Melbourne University (VCAH) Act. The remainder of the site is now vacant and the revocation of the reservation will enable it to be sold. This will be done on production of a plan of survey of the land once the boundary between the land to be granted to Melbourne University and the remainder of the site is finalised.

The Lakeside Psychiatric Hospital occupies an area of 40.47 hectares permanently reserved in 1867 as an

industrial school reserve. This bill provides for the revocation of the reservation of 1 hectare of the site which the Shire of Ballarat has expressed interest in acquiring to develop a sporting facility.

The remaining provisions of the bill are provisions which are generally applicable to land bills of this type and which detail the consequences of revocation and provide for the Registrar-General and the Registrar of Titles to make necessary amendments to titles, and provide that no compensation is payable in respect of the revocations dealt with by this bill.

I make the following statement under section 85(5) of the Constitution Act 1975 of the reasons why clause 14 of the bill provides that it is intended to alter or vary the Constitution Act 1975 to the extent necessary to prevent the Supreme Court awarding compensation in respect of anything done under or arising out of this act.

The reason for preventing the Supreme Court from awarding compensation is 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 rights and interests and claims for compensation based on them or on the former use of the land could 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. T. C. THEOPHANOUS (Jika Jika).

Debate adjourned until next day.

## ADJOURNMENT

Hon. R. I. KNOWLES (Minister for Housing) - I move:

That the Council, at its rising, adjourn until Tuesday next at 10.00 a.m.

Motion agreed to.

Hon. R. I. KNOWLES (Minister for Housing) - I move:

That the house do now adjourn.

## Grand prix

Hon. T. C. THEOPHANOUS Oika Jika) - This afternoon I asked the Minister for Major Projects a question about the grand prix and I said that in Argentina the racing circuit had been shifted following consultation with Mr Ecclestone. In his answer the minister said that it appeared to be under negotiation. I asked whether that meant that, the Victorian government and the Minister for Conservation and Environment were stubbornly refusing to reconsider the site on environmental grounds. He responded by saying no. That suggests that it is not the Victorian government that is stubbornly refusing to reconsider on environmental grounds. Will the minister clarify who is stubbornly refusing to reconsider the site of the grand prix? For instance, is it Ron Walker or Mr Ecclestone? Does the minister want to revise his view and say that the government is stubbornly refusing to reconsider the matter? If so, why not?

## Dental services

Hon. C. J. HOGG (Melbourne North) - 1 ask the Minister for Housing to direct a matter to the attention of the Minister for Health in another place. There is considerable concern from people associated with public dentistry that the start of the long-awaited commonwealth dental health program may not be as smooth as it should be. The program is scheduled to begin in June. I am advised that if the introduction of the dental program is to be satisfactory, the services across the state need to be better coordinated. That means referral networks need to be established to allow clients ease of movement between existing dental programs, and consistent information needs to be provided to clients and service providers across the state.

Will the minister direct those concerns to the attention of his colleague in another place to see whether they can be resolved?

## Yarraville railway station

Hon. LICIA KOKOCINSKI (Melbourne West) - I direct a matter to the attention of the Minister for Roads and Ports, who is the representative in this place of the Minister for Public Transport. It concerns the removal of railway crossing gates at the Yarraville station. It appears that there are plans to replace the historical gates with automated boom gates. Concern has been expressed by many of my Footscray constituents, particularly those who live and work around Yarraville, and by the Footscray

council, that removing the historic gates will damage the aesthetic quality of the area and irreparably damage the image of this traditional shopping centre.

If honourable members bother to travel through the Yarraville shopping centre they will discover that it is unique. I understand that the automation of that crossing may lead to the loss of jobs because the crossing has a signal box. Will the minister take up the matter with the appropriate minister?

## PTC: Princes Park land

Hon. D. T. WALPOLE (Melbourne) - 1 direct a matter to the attention of the Minister for Roads and Ports, who is the representative in this place of the Minister for Public Transport. It concerns rental received by the Public Transport Corporation (PTC) from properties on railway land in Nicholson Street, Princes Park. I understood that arrangements were in place for those moneys to be used for the management and development of the parkland on which the properties are located. However, the PTC has reneged on the arrangement and has failed to release a sum of \$213 465.34, which was the rental received for the period 1 September 1991 to 30 June 1992. Will the minister take up the matter with his colleague in another place? I shall be happy to provide the minister with a breakdown of the moneys involved.

## Tullamarine Freeway signage contract

Hon. D. R. WHITE (Doutta Galla) - 1 direct a matter to the attention of the Minister for Roads and Ports. The government has awarded a contract to Mr David Nettlefold, whose company, NLD Pty Ltd, is to provide signage on the Tullamarine Freeway. It is a well-known fact that before the last state election the Liberal Party was provided with masses of free advertising by Mr David Nettlefold who was, at that time, director of another company, Nettlefolds Ltd.

It is of concern to me that now Mr David Nettlefold, through NLD Pty Ltd, has been awarded a contract for 11 large advertising signs under dubious circumstances. Is it a fact the Mr David Nettlefold's company, NLD Pty Ltd, made a number of bids that did not conform to the Tullamarine Freeway signage tender?

## Tullamarine Freeway signage contract

Hon. D. A. NARDELLA (Melbourne North) - I also direct a question to the Minister for Roads and

Ports. I am concerned that the tendering system for the awarding of the Tullamarine Freeway signage contract was restrictive so as to limit the bidders for those contracts to NLD Pty Ltd. Will the minister lay on the table of the Library all documents and papers relating to the awarding of the billboard advertising contract on the Tullamarine Freeway and any documents relating to the intervention of the Premier and the Minister for Roads and Ports?

#### Tullamarine Freeway signage contract

Hon. B. E. DAVIDSON (Chelsea) - I direct a matter to the attention of the Minister for Roads and Ports.

Hon. B. N. Atkinson - Tell us about NLD and the Tullamarine Freeway.

Hon. B. E. DAVIDSON - Wait-it will all come to you! When tendering for contracts it is the normal custom and practice to submit a single bid and one that conforms to the tender guidelines. Honourable members saw the problems that occurred at a federal government level with the pay TV incident where some companies submitted numerous bids.

Did David Nettlefold, through NLD Pty Ltd, submit seven bids for the Tullamarine Freeway billboard advertising contract and did the bids conform to the tender guidelines by being for corporate advertising only?

#### Leeds Media and Communication Services Pty Ltd

Hon. M. M. GOULD (Doutta Galla) - I direct a matter to the attention of the Minister for Roads and Ports. Leeds Media and Communication Services Pty Ltd has lost its accreditation with the Media Council of Australia. That is due to the lack of liquidity backing required to guarantee the placement of advertising.

As the minister responsible for the Tullamarine Freeway advertising billboards, will the minister advise whether Leeds Media is selling space for the corporate image advertising that is to be erected on the Tullamarine Freeway and, if so, has this continued to occur after Leeds Media lost its accreditation with the Media Council of Australia?

#### Tullamarine Freeway signage contract

Hon. B. W. MIER (Waverley) - I raise a matter with the Minister for Roads and Ports. Unless they are relevant to the safety of drivers, signs on major freeways and roads are of concern to VicRoads officers and others in the road transport industry. They add a distraction and may become aesthetically ugly. Were both the minister and VicRoads against signage being erected on the Tullamarine Freeway for advertising by David Nettlefold's company, NLD Pty Ltd? If so, why did the minister grant the contract to NLD Pty Ltd against the advice of VicRoads officers?

#### Tullamarine Freeway signage contract

Hon. D. E. HENSHAW (Geelong) - Coincidentally my question also relates to David Nettlefold and is also addressed to the attention of the Minister for Roads and Ports. The name Nettlefold is fairly well emblazoned in my memory because of a couple of prominent signs that appeared some 18 months ago in the Geelong region. Although I did not like them, I determined to put up with them at that time, which was prior to October 1992. Those signs remained in place for some months. I always thought the signs had some element of bad taste about them, but I put up with them for some months.

It is said that the major executive of Nettlefolds also has a beneficial interest in NLD Pty Ltd. I seek the minister's assurance that there is nothing untoward about that gentleman having been awarded a contract in relation to the signage on the Tullamarine freeway.

The PRESIDENT - Order! Mr Henshaw is seeking an opinion or even a legal opinion.

Hon. D. E. HENSHAW - I was not sure that I was seeking a legal opinion.

The PRESIDENT - Order! The seeking of a legal opinion is not permissible. I rule Mr Henshaw out of order.

#### Responses

Hon. M. A. BIRRELL (Minister for Major Projects) - Mr Theophanous asked about a matter he raised in question time this afternoon. The answer on Albert Park is that we shall not be stopping. Like the majority of Victorians, we want to have a grand prix in Victoria and Albert Park is a

## ADJOURNMENT

1000

COUNCIL

Friday, 27 May 1994

brilliant venue, particularly given its historical connection with the grand prix event, its access to public transport and its proximity to the city.

The only thing that is of surprise is the failure of the Labor Party to have a consistent approach. It said it wanted a grand prix at Albert Park; it then said it wanted it at Sandown; and now it is at Docklands. The Leader of the Opposition said on radio this morning that he had no idea what it would cost to stage the grand prix at Docklands, but nevertheless he was supporting it at that location. He then made the revealing comment that if the grand prix went to Albert Park it would stay there in the future.

I am pleased that the Leader of the Opposition put on the record that the grand prix will stay at Albert Park in the future. That is the type of support we wanted. It is consistent with his original support for having it at Albert Park. We look forward to the event being attractive on this site, which is clearly the one subject to the contractual commitment made by the Melbourne Major Events Company Ltd, and I look forward to it proceeding.

Hon. W. R. BAXTER (Minister for Roads and Ports) - Ms Kokocinski raised with me the replacement of the railway gate crossing at Yarraville station with boom gates. I shall refer that matter to the Minister for Public Transport. Clearly the crossing will not be left unguarded, but perhaps it is inappropriate to have boom gates. I shall have the matter inquired into.

Mr Walpole raised a rental issue connected with railway-owned land at Nicholson Street near Princess Park. I am not familiar with that area, but I shall refer the issue to the Minister for Public Transport for review.

Mr White and a number of his colleagues raised various issues concerning a contract which I have approved to a company not by the name to which he refers, although that name may be associated, but with Reach International Pty Ltd, of which Mr David Nettlefold is the principal. He has no previous connection with Nettlefold Advertising. I advise Mr White that the tender I accepted conformed in every way - the quality of the advertising, the requirements that were listed in the tender document and the like. The only aspect that does not conform is the financial arrangement. Whereas the conforming tender came in at a certain value, the nonconforming tender, which has a variation acceptable to the government, is worth

nearly \$2 million more to the government, so it clearly makes good sense to accept that tender on behalf of the taxpayers.

Hon. D. R. White interjected.

Hon. W. R. BAXTER - That is not the issue you raised. Mr Nardella raised a similar issue but he asked more specific questions. I can reassure Mr Nardella that the tender was let in accordance with the usual practices. VicRoads accepts and considers tenders by the dozen every week. I shall give consideration to what documentation may be made available to Mr Nardella and other members of the house.

Mr Davidson asked whether the signage proposed by the successful company is of a corporate nature and whether it meets the requirements listed in the tender documents. It certainly does.

Ms Gould asked whether Leeds Advertising was involved. To my knowledge it was not involved directly. I do not know whether it was involved indirectly. There is no reason for it to have been involved because it was a straight tender document advertised in the press in exactly the same way as the Queensland government advertised in connection with bridge advertising.

Hon. B. E. Davidson - How many submissions did Nettlefold's make?

Hon. W. R. BAXTER - I am not privy to that information but I accepted the recommended tender. More than one tender was put in by Reach International and approximately nine separate businesses tendered, so the contract was widely sought after.

Mr Mier asked whether I went against the advice of VicRoads officers. The answer is no.

Hon. R. I. KNOWLES (Minister for Housing) - Mrs Hogg raised a matter for me to take up with the Minister for Health regarding the coordination of a national dentistry program. I shall certainly inquire into that matter.

Motion agreed to.

House adjourned 5.17 p.m. until Tuesday, 31 May.

## QUESTIONS ON NOTICE

Wednesday, 25 May 1994

COUNCIL

1001

Wednesday, 25 May 1994

---

## QUESTIONS ON NOTICE

---

### Regional Development: grants

(Question No. 254)

Hon. D. A. NARDELLA asked the Minister for Regional Development:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. R. M. HALLAM (Minister for Regional Development) - The answer is:

The time and resources required to provide the detailed information sought cannot be justified. The honourable member is referred to the 1992-93 annual report of the Department of Business and Employment which provides information covering 680 individual grants in the following categories:

#### Industry, Trade and Regional Development

- Enterprise improvement programs
- Agencies, centres and other organisations
- Regional financial assistance
- Investment and export market programs
- Externally funded programs
- New enterprise incentive scheme
- Rural Enterprise Victoria

#### Employment

- Landcare environment and action program
- Joblink
- Workstart Victoria
- Women's employment

#### Industry Services

- Occupational health & safety
- Jobwatch

#### Youth Affairs

- Youth worker subsidy program
- Statewide youth organisations program
- Youth grants program
- Youth enterprise program
- Youth homelessness taskforce program

Grant information from 30.6.93 onwards will be provided in the department's 1993-94 annual report.

The above information relates to the whole of the Department of Business and Employment and includes the areas of responsibility of the ministers for industry and employment, industry services, small business (with responsibility for youth affairs) and regional development.

**Youth Affairs: grants**

(Question No. 261)

Hon. D. A. NARDELLA asked the Minister for Conservation and Environment, for the Minister responsible for Youth Affairs:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - The answer supplied by the Minister responsible for Youth Affairs is:

The time and resources required to provide the detailed information sought cannot be justified. The honourable member is referred to the 1992-93 annual report of the Department of Business and Employment which provides information covering 680 individual grants in the following categories:

**Industry, Trade and Regional Development**

- Enterprise improvement programs
- Agencies, centres and other organisations
- Regional financial assistance
- Investment and export market programs
- Externally funded programs
- New enterprise incentive scheme
- Rural Enterprise Victoria

**Employment**

- Landcare environment and action program
- Joblink
- Workstart Victoria
- Women's employment

**Industry Services**

- Occupational health & safety
- Jobwatch

**Youth Affairs**

- Youth worker subsidy program
- Statewide youth organisations program
- Youth grants program
- Youth enterprise program
- Youth homelessness taskforce program

Grant information from 30.6.93 onwards will be provided in the department's 1993-94 annual report.

The above information relates to the whole of the Department of Business and Employment and includes the areas of responsibility of the ministers for industry and employment, industry services, small business (with responsibility for youth affairs) and regional development.

**Industry and Employment: grants**

(Question No. 265)

**Hon. D. A. NARDELLA** asked the Minister for Tertiary Education and Training, for the Minister for Industry and Employment:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

**Hon. HADDON STOREY** (Minister for Tertiary Education and Training) - The answer supplied by the Minister for Industry and Employment is:

The time and resources required to provide the detailed information sought cannot be justified. The honourable member is referred to the 1992-93 annual report of the Department of Business and Employment which provides information covering 680 individual grants in the following categories:

**Industry, Trade and Regional Development**

- Enterprise improvement programs
- Agencies, centres and other organisations
- Regional financial assistance
- Investment and export market programs
- Externally funded programs
- New enterprise incentive scheme
- Rural Enterprise Victoria

**Employment**

- Landcare environment and action program
- Joblink
- Workstart Victoria
- Women's employment

**Industry Services**

- Occupational health & safety
- Jobwatch

**Youth Affairs**

- Youth worker subsidy program
- Statewide youth organisations program
- Youth grants program
- Youth enterprise program
- Youth homelessness taskforce program

Grant information from 30.6.93 onwards will be provided in the department's 1993-94 annual report.

The above information relates to the whole of the Department of Business and Employment and includes the areas of responsibility of the ministers for industry and employment, industry services, small business (with responsibility for youth affairs) and regional development.

**Small Business: grants**

(Question No. 276)

**Hon. D. A. NARDELLA** asked the Minister for Roads and Ports, for the Minister for Small Business:

## QUESTIONS ON NOTICE

1004

COUNCIL

Wednesday, 25 May 1994

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. W. R. BAXTER (Minister for Roads and Ports) - The answer supplied by the Minister for Small Business is:

The time and resources required to provide the detailed information sought cannot be justified. The honourable member is referred to the 1992-93 annual report of the Department of Business and Employment which provides information covering 680 individual grants in the following categories:

### Industry, Trade and Regional Development

- Enterprise improvement programs
- Agencies, centres and other organisations
- Regional financial assistance
- Investment and export market programs
- Externally funded programs
- New enterprise incentive scheme
- Rural Enterprise Victoria

### Employment

- Landcare environment and action program
- Joblink
- Workstart Victoria
- Women's employment

### Industry Services

- Occupational health & safety
- Jobwatch

### Youth Affairs

- Youth worker subsidy program
- Statewide youth organisations program
- Youth grants program
- Youth enterprise program
- Youth homelessness taskforce program

Grant information from 30.6.93 onwards will be provided in the department's 1993-94 annual report.

The above information relates to the whole of the Department of Business and Employment and includes the areas of responsibility of the ministers for industry and employment, industry services, small business (with responsibility for youth affairs) and regional development.

### Industry Services: grants

(Question No. 279)

Hon. D. A. NARDELLA asked the Minister for Regional Development, for the Minister for Industry Services:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?

## QUESTIONS ON NOTICE

Wednesday, 25 May 1994

COUNCIL

1005

- (e) What were the reasons why the applications for the grants were successful?

Hon. **R. M. HALLAM** (Minister for Regional Development) - The answer supplied by the Minister for Industry Services is:

The time and resources required to provide the detailed information sought cannot be justified. The honourable member is referred to the 1992-93 annual report of the Department of Business and Employment which provides information covering 680 individual grants in the following categories:

### **Industry, Trade and Regional Development**

- Enterprise improvement programs
- Agencies, centres and other organisations
- Regional financial assistance
- Investment and export market programs
- Externally funded programs
- New enterprise incentive scheme
- Rural Enterprise Victoria

### **Employment**

- Landcare environment and action program
- Joblink
- Workstart Victoria
- Women's employment

### **Industry Services**

- Occupational health & safety
- Jobwatch

### **Youth Affairs**

- Youth worker subsidy program
- Statewide youth organisations program
- Youth grants program
- Youth enterprise program
- Youth homelessness taskforce program

Grant information from 30.6.93 onwards will be provided in the department's 1993-94 annual report.

The above information relates to the whole of the Department of Business and Employment and includes the areas of responsibility of the ministers for industry and employment, industry services, small business (with responsibility for youth affairs) and regional development.

Thursday, 26 May 1994

---

QUESTIONS ON NOTICE

---

**Education: legal representation and expenses involved**

(Question No. 207)

Hon. M. M. GOULD asked the Minister for Tertiary Education and Training, for the Minister for Education:

In respect of the Directorate of School Education's action to oppose the granting of a federal award for directorate staff:

- (a) What legal firms were engaged to represent the directorate and what was the basis of their selection?
- (b) What was the total cost involved in taking the action giving the details in respect of each firm?

Hon. HADDON STOREY (Minister for Tertiary Education and Training) - The answer supplied by the Minister for Education is:

(a) Since November 1992, a number of applications for federal awards have been lodged in respect of directorate staff, including those employed under the Teaching Service Act 1981. Initially two firms, namely the Victorian Government Solicitor and the firm of Minter Ellison Morris Fletcher were engaged to represent the directorate in these matters. Both firms were engaged due to the urgency of the matters and the expertise and resources required to defend the applications.

In July 1993 eight legal firms were invited to tender for the contract to provide legal advice to and represent the Directorate of School Education on a number of industrial matters including:

the application of the Employee Relations Act and associated strategic advice on the implementation of employment agreements; and

Federal award matters including action to oppose the granting of federal awards for directorate staff.

On the basis of written submissions three firms were interviewed and the legal firm Minter Ellison Morris Fletcher was selected. The State Tender Board approved this selection in accordance with the requirements of the Audit (Supply Management) Regulations 1993.

The period of the contract is 1 September 1993 until 30 June 1994.

(b) The total maximum cost of the contract with Minter Ellison Morris Fletcher is \$500 000.

For the period November 1992 to August 1993, I am advised that the Directorate of School Education records indicate that approximately \$350 000 was paid to Minter Ellison Morris Fletcher. That amount included work other than industrial relations.

The time and resources required to provide case by case details of this expenditure cannot be justified.

**Education: expenditure on seminars, conferences and courses**

(Question No. 210)

Hon. M. M. GOULD asked the Minister for Tertiary Education and Training, for the Minister for Education:

In respect of all seminars, briefings and conferences conducted by or auspiced by the Directorate of School Education:

- (a) What are the details of all such events and their locations since October 1992?
- (b) What was the cost of each event?
- (c) What are the names of the consultants engaged to facilitate or organise such events?

Hon. HADDON STOREY (Minister for Tertiary Education and Training) - The answer supplied by the Minister for Education is:

(a) Staff development and training services are managed at three levels within the Directorate of School Education: system, region and school. Each of these areas has responsibility for the organisation and management of conferences, courses, seminars, workshops and similar activities.

To provide the information requested would require an extensive manual records search for which the time and resources are not available. However, I am able to provide overall information regarding expenditure for the financial year 1992-93 and the financial year 1993-94, to 31 March 1994 for the directorate. If the honourable member has a particular activity in mind, I would be prepared to consider a records search in order to provide the information for that activity.

(b) 1992-93

|                                |           |
|--------------------------------|-----------|
| Conferences, courses, seminars | \$191 875 |
| 1993-94 (to 31 March 1994)     |           |

|                                |           |
|--------------------------------|-----------|
| Conferences, courses, seminars | \$515 260 |
|--------------------------------|-----------|

The figures do not generally include such items as:

- allocations by individual schools;
- salaries of professional development staff and other support staff;
- the salaries of staff engaged in professional development activities;
- study leave;
- grants to organisations for professional development;
- provision of training facilities by the directorate;
- office equipment, stationery and publications;
- communication costs;
- motor vehicle use and maintenance and other travel costs; or
- fuel, light, power and water at venues.

The Statewide Professional Development Program is considered by the government to be a very important part of the support provided to schools. Professional development activities include provision for Schools of the Future, principals, school councils, teachers, non-teaching staff, women in school leadership positions and training in occupational health and safety and disability services. In addition, regions provide significant training opportunities.

The Schools of the Future Program incorporates a comprehensive professional development framework covering a broad range of issues related to self managing schools. In Term 4, 1993, 184 professional development sessions were run. This is the most extensive professional development program ever to be conducted by the directorate in support of a policy initiative.

The framework includes an induction program (briefings and residential conferences), programs targeted at specific audiences on specific topics, and provision for schools and school clusters to develop programs in response to local needs.

Targeted programs include: school charter development, principals' collegiate group training, school operations, personnel management, financial management, health and safety, computer aided systems environment in schools (CASES), school councils training, principal leadership and curriculum leadership.

Increasingly, professional development will be devolved to the school level. While some system driven initiatives will continue to be provided, Schools of the Future are being given enhanced global budgets which include provision for professional development.

(c) Consultants engaged to facilitate or organise professional development include:

Dr Patricia A Klinck  
 Max Sawatski  
 Dr Brian Caldwell  
 Rev. Hugh Eadie  
 Peter Hille  
 Key Consultancy  
 Barbara Carghill  
 National Curriculum Services  
 Dr Neville Johnson  
 Michael Norman  
 Vivian Vrahos V J Consultancy  
 Liz Olijnyk Teamwork Training Services  
 Marj Colquhoun Waite Career Development Centre  
 Dr Erika Frydenberg  
 Ruth Wraith  
 Basil Varghese  
 Colin Reiss  
 Denise Nicholls Behaviour Management Australia Pty Ltd  
 Ted Hummerston and Joan Ciastkowski  
 Hawthorn Institute of Education

Wendy Hoffman  
 Vicki Bitsika  
 Clark Hummerston Organisation and Management Consulting Group  
 Steve Biddulph  
 Robyn Robinson  
 Christina Fleischer (Health and Community Services)  
 Ipex Information Technology Group  
 Trevor Poole and David Montebello  
 Dr Brent Davies  
 Clare Sheahan - Professional Group Facilitators Pty Ltd

## Conservation and Environment: consultancies, engagements, appointments and contracts

(Question No. 217)

Hon. D. A. NARDELLA asked the Minister for Conservation and Environment:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - The answer is:

Information on consultants engaged by the Department of Conservation and Natural Resources in the 1992-93 and 1993-94 financial years, up to mid-May 1994, is contained in the answer provided to question no. 282. The provision of further information would require excessive time and resources and, consistent with past practice, cannot be justified.

## Local Government: consultancies, engagements, appointments and contracts

(Question No. 219)

Hon. D. A. NARDELLA asked the Minister for Local Government:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. R. M. HALLAM (Minister for Local Government) - The answer is:

I am advised that the only contract for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which I am responsible as Minister for Local Government is -

## QUESTIONS ON NOTICE

Thursday, 26 May 1994

COUNCIL

1009

### Name of company

KPMG Management Consultants

- (i) Purpose of consultancy  
To undertake an audit of the municipal structure of the Geelong area
- (ii) The period of consultancy  
December 1992 to February 1993
- (iii) Final sum - \$83 925.60
- (iv) Was the work advertised publicly  
No, three tenders from leading firms were sought
- (v) Was the successful tender the lowest price  
No. As indicated in the Requisition Summary Form Z submitted to the Tender Board, the 'Recommended tender has indicated a more impressive approach, and team, for the project than the lowest tender'
- (vi) Was Tender Board approval obtained?  
Yes, approval no. 117, dated 1 December 1992.

### Natural Resources: consultancies, engagements, appointments and contracts

(Question No. 225)

**Hon. D. A. NARDELLA** asked the Minister for Conservation and Environment, for the Minister for Natural Resources:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

**Hon. M. A. BIRRELL** (Minister for Conservation and Environment) - The answer supplied by the Minister for Natural Resources is:

Information on consultants engaged by the Department of Conservation and Natural Resources in the 1992-93 and 1993-94 financial years, up to mid-May 1994, is contained in the answer provided to question no. 283. The provision of further information would require excessive time and resources and, consistent with past practice, cannot be justified.

### Conservation and Environment: grants

(Question No. 251)

**Hon. D. A. NARDELLA** asked the Minister for Conservation and Environment:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

**Hon. M. A. BIRRELL** (Minister for Conservation and Environment) - The answer is:

Attached is a summary of grants distributed by the Department of Conservation and Natural Resources in the 1992-93 and 1993-94 financial years. The provision of further information would require excessive time and resources and, consistent with past practice, cannot be justified.

# QUESTIONS ON NOTICE

1010

COUNCIL

Thursday, 26 May 1994

Grants distributed by the Department of Conservation and Natural Resources

## Project Grants

| Grant Program                           | Financial<br>Year | Number of<br>recipients | Total funding<br>\$ |
|-----------------------------------------|-------------------|-------------------------|---------------------|
| Vicwatch Community<br>Monitoring Grants | 1992/93           | 5                       | \$ 4,920            |
| Ethnic Community<br>Grants              | 1992/93           | 2                       | \$ 10,000           |
| Greenhouse Community<br>Grants          | 1992/93           | 3                       | \$ 25,000           |
| Community Conservation<br>Grants        | 1992/93           | 61                      | \$251,275           |
| Project Grants<br>Program*              | 1993/94           | 155                     | \$552,740           |

\*In 1993/94 the Project Grants Program replaced the Vicwatch, Ethnic and Greenhouse Community Grants and the Community Conservation Grants.

## Natural resource management grants

| Grant Program                             | Financial<br>Year    | Number of<br>recipients | Total funding<br>\$                    |
|-------------------------------------------|----------------------|-------------------------|----------------------------------------|
| National Soil<br>Conservation Program     | 1992/93<br>1993/94   | 77<br>94                | \$1,248,264<br>\$1,086,037             |
| One Billion Trees                         | 1992/93<br>1993/94   | 17<br>28                | \$ 79,786<br>\$ 131,099                |
| Tree Victoria                             |                      |                         |                                        |
| - Regional Landcare<br>Grants             | 1992/93<br>1993/94   | 174<br>159              | \$ 602,884<br>\$ 664,625               |
| - Statewide Grants                        | 1992/93<br>1993/94   | 2<br>1                  | \$ 55,000<br>\$ 25,000                 |
| - Grant to Greening<br>Australia Victoria | 1992/93<br>1993/94   | 1<br>1                  | \$ 361,720<br>\$ 230,000               |
| Save the Bush                             | 1992/93<br>1993/94   | 33<br>39                | \$ 242,321<br>\$ 187,733               |
| Community Salinity<br>Grants              | 1992<br>1993<br>1994 | 67<br>90<br>90          | \$ 176,000<br>\$ 188,000<br>\$ 171,031 |
| Land Protection<br>Incentive Scheme       | 1992/93<br>1993/94   | *<br>*                  | \$1,456,717<br>\$1,500,000**           |

\*Grants under the Land Protection Incentive Scheme (LPIS) are made to individuals rather than groups, and are handled by the Department's Area offices. To determine the exact number of recipients, it would be necessary to collate the records held by every Area office State-wide. The time and resources required for this task are not available.

\*\*Allocation only; payments under LPIS for 1993/94 have not yet been completed.

## QUESTIONS ON NOTICE

Thursday, 26 May 1994

COUNCIL

1011

### Local Government: grants

(Question No. 253)

Hon. D. A. NARDELLA asked the Minister for Local Government

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. R. M. HALLAM (Minister for Local Government) - The answer is:

I am advised that the only grants administered by the Office of Local Government are those distributed by the Victoria Grants Commission, details of which are published in their annual report.

### Natural Resources: grants

(Question No. 259)

Hon. D. A. NARDELLA asked the Minister for Conservation and Environment, for the Minister for Natural Resources:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) - The answer supplied by the Minister for Natural Resources is:

Attached is a summary of grants distributed by the Department of Conservation and Natural Resources in the 1992-93 and 1993-94 financial years. The provision of further information would require excessive time and resources and, consistent with past practice, cannot be justified.

## QUESTIONS ON NOTICE

1012

COUNCIL

Thursday, 26 May 1994

Grants distributed by the Department of Conservation and Natural Resources

### *Project Grants*

| Grant Program                        | Financial Year | Number of recipients | Total funding \$ |
|--------------------------------------|----------------|----------------------|------------------|
| Vicwatch Community Monitoring Grants | 1992/93        | 5                    | \$ 4,920         |
| Ethnic Community Grants              | 1992/93        | 2                    | \$ 10,000        |
| Greenhouse Community Grants          | 1992/93        | 3                    | \$ 25,000        |
| Community Conservation Grants        | 1992/93        | 61                   | \$251,275        |
| Project Grants Program*              | 1993/94        | 155                  | \$552,740        |

\*In 1993/94 the Project Grants Program replaced the Vicwatch, Ethnic and Greenhouse Community Grants and the Community Conservation Grants.

### *Natural resource management grants*

| Grant Program                                                                                                       | Financial Year | Number of recipients | Total funding \$ |
|---------------------------------------------------------------------------------------------------------------------|----------------|----------------------|------------------|
| National Soil Conservation Program                                                                                  | J.992/93       | 77                   | \$1,248,264      |
|                                                                                                                     | 1993/94        | 94                   | \$1,086,037      |
| One Billion Trees                                                                                                   | 1992/93        | 47                   | \$ 179,786       |
|                                                                                                                     | 1993/94        | 28                   | \$ 131,099       |
| Tree Victoria<br>- Regional Landcare Grants<br><br>- Statewide Grants<br><br>- Grant to Greening Australia Victoria | 1992/93        | 174                  | \$ 602,884       |
|                                                                                                                     | 1993/94        | 159                  | \$ 664,625       |
|                                                                                                                     | 1992/93        | 2                    | \$ 55,000        |
|                                                                                                                     | 1993/94        | 1                    | \$ 25,000        |
|                                                                                                                     | 1992/93        | 1                    | \$ 361,720       |
|                                                                                                                     | 1993/94        | 1                    | \$ 230,000       |
| Save the Bush                                                                                                       | 1992/93        | 33                   | \$ 242,321       |
|                                                                                                                     | 1993/94        | 39                   | \$ 187,733       |
| Community Salinity Grants                                                                                           | 1992           | 67                   | \$ 176,000       |
|                                                                                                                     | 1993           | 90                   | \$ 188,000       |
|                                                                                                                     | 1994           | 90                   | \$ 171,031       |
| Land Protection Incentive Scheme                                                                                    | 1992/93        | *                    | \$1,456,717      |
|                                                                                                                     | 1993/94        | *                    | \$1,500,000**    |

\*Grants under the Land Protection Incentive Scheme (LPIS) are made to individuals rather than groups, and are handled by the Department's Area offices. To determine the exact number of recipients, it would be necessary to collate the records held by every Area office State-wide. The time and resources required for this task are not available.

\*\*Allocation only; payments under LPIS for 1993/94 have not yet been completed.

**Conservation and Environment: expenditure on consultancies**

**(Question No. 282)**

**Hon. B. T. PULLEN (Melbourne) asked the Minister for Conservation and Environment:**

In respect of each department and agency under his administration:

- (a) What is the name of each consultant employed since October 1992?
- (b) For what purpose was each consultant employed?
- (c) What was the commencement date of each consultancy?
- (d) What was the duration of each consultancy?
- (e) What was the cost of each consultancy, and did these costs exceed the initial tender?

**Hon. M. A. BIRRELL (Minister for Conservation and Environment) - The answer is:**

A list of consultants engaged by the Department of Conservation and Natural Resources in the 1992-93 financial year is contained in the department's annual report for 1992-93. A list of consultants engaged by the department in the 1993-94 financial year up to mid-May 1994 is attached. The provision of further information would require excessive time and resources and, consistent with past practice, cannot be justified.

CONSULTANTS

Consultants have been engaged by the Department in 1993/94 to assist with the following:

| NAME OF CONSULTANT                    | SUMMARY OF CONSULTANCY                                                                                                                       | S COST |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------|
| KPMG Peat Marwick                     | Indirect tax liability study.                                                                                                                | 15,900 |
| Margules Groome Poyry                 | Marketing strategy for residual roundwood in East Gippsland.                                                                                 | 36,570 |
| Midbrook Pty Ltd, Marcus Hudson       | Modification of software                                                                                                                     | 320    |
| Midbrook Pty Ltd, Marcus Hudson       | Enhancement of PC assets Ver 1.02 and Ver 1.03                                                                                               | 740    |
| Price Waterhouse Urwick               | Review charging arrangements of Financial Services business unit to determine if costs charged internally reflect current industry standard. | 1,000  |
| Nita Cherry                           | Review of HRM Branch                                                                                                                         | 9,500  |
| Box Hill TAFE                         | Contracting out training program                                                                                                             | 17,180 |
| Independent Ag Consultants Pty Ltd    | Property Management Planning Booklet                                                                                                         | 8,664  |
| Deloitte Touche & Tohrnatsu           | Scoping Report for CNR's Information Technology Services                                                                                     | 31,110 |
| Wildlife Profiles Pty Ltd             | Research on the endangered Malice Worm Lizard                                                                                                | 11,850 |
| Mr Charles Sherwin                    | Box-Ironbark recovery plan preparation                                                                                                       | 10,219 |
| Price Waterhouse Umick                | Risk Management Strategy                                                                                                                     | 16,500 |
| Neville Scarlet, Latrobe University   | Preparation of Action Statements for nationally endangered flora species                                                                     | 9,000  |
| Botany Department, LaTrobe University | Study ecology of Northern Plains Grasslands of Victoria and related threatened species                                                       | 5,500  |
| Ernst & Young                         | Review of Class 4 Vessels                                                                                                                    | 12,880 |
| Dr Les Christidis, Museum of Victoria | Molecular assessment of taxonomic and genetic status of Black-eared Miner                                                                    | 10,000 |
| Dr Tim New, Latrobe University        | Recovery Plan for Mt Piper butterfly community listed as rare and threatened.                                                                | 20,000 |
| Read Sturgess and Associates          | Economic significance of the Grampians National Park                                                                                         | 29,860 |
| Eco Systems Environmental Consultants | Environmental assessment (fauna) of ski trail proposals, Lake Mountain                                                                       | 3,508  |
| Margules Groome Poyry Pty Ltd         | Implement stages 1 & 2 of veneer trials project - extension to marketing strategy for residual roundwood in East Gippsland                   | 10,000 |

## QUESTIONS ON NOTICE

Thursday, 26 May 1994

COUNCIL

1015

| NAME OF CONSULTANT                   | SUMMARY OF CONSULTANCY                                                                   | \$ COST       |
|--------------------------------------|------------------------------------------------------------------------------------------|---------------|
| KPMG Peat Marwick                    | To provide external independent advice to the Department's Audit Committee for one year. | 5,000         |
| Joe Buckley                          | Feasibility study - self insurance for workers compensation                              | 7,000         |
| H L Dunchue & R L Sinclair           | Farm Forestry Program - assist project management team                                   | 80,000        |
| Dr A Yen, Museum of Victoria         | Atlas of Victoria - incorporation of records of threatened wildlife                      | 8,000         |
| Ian Roberts                          | Mapping and zoning of Leadbeaters Possum habitat                                         | 35,000        |
| Jeff Smith                           | Establishment of Coastal Council and preparation of draft legislation                    | 15,000        |
| Strategic Australia                  | Marketing study for Dandenong Gardens                                                    | 23,000        |
| H L Dunchue & R L Sinclair           | North East Farm Forestry Program - <b>Market</b> Consultancy                             | 15,000        |
| Noble Lowndes Cullen Egan Dell       | CNR generic classification and remuneration package                                      | 1,700 per day |
| Catherine B Iton, Buxton Connections | Community education strategy for urban Landcare                                          | 16,000        |
| Brook Street Bureau                  | Review of property engineering and fleet transport services                              | 4,000         |
| Andrew C Ward & Associates           | Conservation analysis & management strategy<br>Wonthaggi Coal Mine                       | 10,000        |
| Fabian Douglas                       | Recovery plan for Diurnal Lepidoptera in North West Victoria                             | 10,000        |
| Caltha Education                     | Community education and environmental weeds                                              | 49,500        |
| Graeme Jackson                       | Review of freshwater ecology and conservation arrangements                               | 7,200         |
| Training Interventions               | Project management training program                                                      | 25,000        |
| Read Sturgess & Associates           | Evaluation of supply and demand issues - firewood market                                 | 14,960        |
| Ecology Strategy                     | Large-scale conversion to exotic pasture for salinity control                            | 30,000        |
| Melbourne University                 | Orange-bellied parrot study                                                              | 84,000        |
| Graeme Butler & Associates           | Victorian alpine park huts survey                                                        | 25,000        |
| Bill Carter & Associates             | Alpine interpretation plan                                                               | 25,140        |
| C & MJDoring                         | Eldorado Dredge - conservation study and management strategy                             | 7,000         |

## QUESTIONS ON NOTICE

1016

COUNCIL

Thursday, 26 May 1994

| NAME OF CONSULTANT                  | SUMMARY OF CONSULTANCY                                                               | \$ COST                                                                                            |
|-------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Griffiths Consulting                | Privatisation of Vicflora - marketing and sale                                       | 30,000 plus<br>6,000 for<br>valuations,<br>8,500 for<br>legal fees and<br>6,000 for<br>advertising |
| Margules Groome & Poyry Pty Ltd     | fa.tension of consultancy for veneer trials project<br>- stage 3 - trade development | 47,190                                                                                             |
| State Forests of New South Wales    | Veneer trials project - stage 3 - Gippsland eucalypts                                | 36,000                                                                                             |
| Roy Morgan Research Centre          | Fisheries performance indicator community surveys                                    | 20,970                                                                                             |
| Australian Science Archives Project | Review and re-organisation of historic places resource<br>material                   | 10,000                                                                                             |
| Australis Pty Ltd                   | Research into hollo,v-bearing trees                                                  | 7.850                                                                                              |
| Connecting Visions                  | Volunteer community education guides for conservation                                | 35,000                                                                                             |

### Natural Resources: expenditure on consultancies

(Question No. 283)

**Hon. B. T. PULLEN** asked the Minister for Conservation and Environment, for the Minister for Natural Resources:

In respect of each department and agency under his administration:

- What is the name of each consultant employed since October 1992?
- For what purpose was each consultant employed?
- What was the commencement date of each consultancy?
- What was the duration of each consultancy?
- What was the cost of each consultancy, and did these costs exceed the initial tender?

**Hon. M. A. BIRRELL (Minister for Conservation and Environment)** - The answer supplied by the Minister for Natural Resources is:

A list of consultants engaged by the Department of Conservation and Natural Resources in the 1992-93 financial year is contained in the department's annual report for 1992-93. A list of consultants engaged by the department in the 1993-94 financial year up to mid-May 1994 is attached. The provision of further information would require excessive time and resources and, consistent with past practice, cannot be justified.

## QUESTIONS ON NOTICE

Thursday, 26 May 1994

### COUNCIL

1017

### CONSULTANTS

Consultants have been engaged by the Department in 1993/94 to assist with the following:

| NAME OF CONSULTANT                    | SUMMARY OF CONSULTANCY                                                                                                                       | ESTIMATED COST |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| KPMG Peat Marwick                     | Indirect tax liability study.                                                                                                                | 15,900         |
| Margules Groome Poyry                 | Marketing strategy for residual roundwood in East Gippsland.                                                                                 | 36,570         |
| Midbrook Pty Ltd, Marcus Hudson       | Modification of software                                                                                                                     | 320            |
| Midbrook Pty Ltd, Marcus Hudson       | Enhancement of PC assets Ver 1.02 and Ver 1.03                                                                                               | 740            |
| Price Waterhouse Urwick               | Review charging arrangements of Financial Services business unit to determine if costs charged internally reflect current industry standard. | 1,000          |
| Nita Cherry                           | Review of HRLM Branch                                                                                                                        | 9,500          |
| Box Hill TAFE                         | Contracting out training program                                                                                                             | 17,180         |
| Independent Ag Consultants Pty Ltd    | Property Management Planning Booklet                                                                                                         | 8,664          |
| Deloitte Touche & Tohmatsu            | Scoping Report for GHR's Information Technology Services                                                                                     | 31,110         |
| Wildlife Profiles Pty Ltd             | Research on the endangered Mallee Worm Lizard                                                                                                | 11,850         |
| Mr Charles Shemin                     | Box-Ironbark recovery plan preparation                                                                                                       | 10,219         |
| Price Waterhouse Urwick               | Risk Management Strategy                                                                                                                     | 16,500         |
| Nesbitt Scarlett, Latrobe University  | Preparation of Action Statements for nationally endangered flora species                                                                     | 9,000          |
| Botany Department, Latrobe University | Study ecology of Northern Plains Grasslands of Victoria and related threatened species                                                       | 5,500          |
| Ernst & Young                         | Review of Class 4 Vessels                                                                                                                    | 12,880         |
| Dr Les Christidis, Museum of Victoria | Molecular assessment of taxonomic and genetic status of Black-eared Miner                                                                    | 10,000         |
| Dr Tim New, Latrobe University        | Recovery Plan for Mt Piper butterfly community listed as rare and threatened.                                                                | 20,000         |
| Read Sturges and Associates           | Economic significance of the Grampians National Park                                                                                         | 29,860         |
| Eco Systems Environmental Consultants | Environmental assessment (fauna) of ski trail proposals, Lake Mountain                                                                       | 3,508          |
| Margules Groome Poyry Pty Ltd         | Implement stages 1 & 2 of veneer trials project - extension to marketing strategy for residual roundwood in East Gippsland                   | 10,000         |

## QUESTIONS ON NOTICE

1018

COUNCIL

Thursday, 26 May 1994

| NAME OF CONSULTANT                    | SUMMARY OF CONSULTANCY                                                                   | SCOST         |
|---------------------------------------|------------------------------------------------------------------------------------------|---------------|
| KPMG Peat Marwick                     | To provide external independent advice to the Department's Audit Committee for one year. | 5,000         |
| Joe Blackley                          | Feasibility study- self insurance for workers compensation                               | 7,000         |
| H L Dunchue & R L Sinclair            | Farm Forestry Program - assist project management team                                   | 80,000        |
| Dr A Yen, Museum of Victoria          | Atlas of Victoria - incorporation of records of threatened wildlife                      | 8,000         |
| Ian Roberts                           | Mapping and zoning of Leadbeaters Possum habitat                                         | 35,000        |
| Jeff Smith                            | Establishment of Coastal Council and preparation of draft legislation                    | 15,000        |
| Strategic Australia                   | Marketing study for Dandenong Gardens                                                    | 23,000        |
| H L Dunchue & R L Sinclair            | North East Fann Forestry Program - Market Consultancy                                    | 15,000        |
| Noble Lowndes Cullen Egan Dell        | CNR generic classification and remuneration package                                      | 1,700 per day |
| Catherine Buxton. BILxton Connections | Community education strategy for urban Landcare                                          | 16,000        |
| Brook Street Bureau                   | Review of property engineering and fleet transport services                              | -,000         |
| Andrew C Ward & Associates            | Conservation analysis & management strategy Womhaggi Coal Mine                           | 10,000        |
| Fabian Douglas                        | Recovery plan for Diurnal Lepidoptera in North West Victoria                             | 10,000        |
| Caltha Education                      | Community education and environmental weeds                                              | 49,500        |
| Graeme Jackson                        | Review of freshwater ecology and conservation arrangements                               | 7,200         |
| Training Interventions                | Project management training program                                                      | 25,000        |
| Read Sturges & Associates             | Evaluation of supply and demand issues - firewood market                                 | 14,960        |
| Ecology Strategy                      | Large-scale conversion to exotic pasture for salinity control                            | 30,000        |
| Melbourne University                  | Orange-bellied parrot study                                                              | 84,000        |
| Graeme Butler & Associates            | Victorian alpine park huts survey                                                        | 25,000        |
| Bill Carter & Associates              | Alpine interpretation plan                                                               | 25,140        |
| C & MJ Doring                         | Eldorado Dredge - conservation study and management strategy                             | 7,000         |

# QUESTIONS ON NOTICE

Thursday, 26 May 1994

COUNCIL

1019

| NAME OF CONSULTANT                  | SUMMARY OF CONSULTANCY                                                              | \$ COST                                                                                            |
|-------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Griffiths Consulting                | Privatisation of Vicflora - marketing and sale                                      | 30,000 plus<br>6,000 for<br>valuations,<br>8,500 for<br>legal fees and<br>6,000 for<br>advertising |
| Margules Groome & Poyry Pty Ltd     | Extension of consultancy for veneer trials project<br>- stage 3 - trade development | 47,190                                                                                             |
| State Forests of New South Wales    | Veneer trials project - stage 3 - Gippsland eucalypts                               | 36,000                                                                                             |
| Roy Morgan Research Centre          | Fisheries performance indicator community surveys                                   | 20,970                                                                                             |
| Australian Science Archives Project | Review and re-organisation of historic places resource<br>material                  | 10,000                                                                                             |
| Australis Pty Ltd                   | Research into hollow-bearing trees                                                  | 7,850                                                                                              |
| Connecting Visions                  | Volunteer community education guides for conservation                               | 35,000                                                                                             |

## QUESTIONS ON NOTICE

1020

COUNCIL

Friday, 27 May 1994

---

Friday, 27 May 1994

---

---

## QUESTIONS ON NOTICE

---

### Housing: consultancies, engagements, appointments and contracts

(Question No. 214)

Hon. D. A. NARDELLA asked the Minister for Housing:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. R. I. KNOWLES (Minister for Housing) - The answer is:

The Office of Housing has various contracts for work valued in excess of \$50 000. These contracts are for the building of public housing units, the upgrading of existing housing units and the provision of home finance assistance. They also have consultancies, such as Deloitte, who are employed to work on the technical office review.

The Office of Building has various contracts for work valued in excess of \$50 000. These contracts are for the construction and maintenance of public buildings on behalf of client agencies.

The time and resources to collate information about each specific project are not available at this time. The honourable member seeks specific information I will be happy to provide it.

### Aged Care: consultancies, engagements, appointments and contracts

(Question No. 215)

Hon. D. A. NARDELLA asked the Minister for Aged Care:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. R. I. KNOWLES (Minister for Aged Care) - The answer is:

Attached is a chart providing a list and other details of consultancies in excess of \$50 000 entered into by the Department of Health and Community Services from October 1992 to April 1994.

**HEALTH AND COMMUNITY SERVICES  
CONSULTANCY ENGAGEMENTS OCT 92 - APRIL 94  
\$50,000 +**

| CONSULTANT<br>COMPANY/NAME                                                  | BROAD TITLE<br>& PURPOSE OF<br>CONSULTANCY                                                                                                                        | START<br>DATE | COMP-<br>LETION   | \$<br>COMMITMENT | TENDER<br>BOARD<br>APPROVAL<br>NO | FINAL<br>EXPENDI-<br>TURE<br>(if<br>completed) | ADVERTISED<br>PUBLICLY?     | LOWEST<br>TENDER?                                                                                                                |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|------------------|-----------------------------------|------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Deloitte, Touche<br>Tohmatsu and<br>Victorian Medical<br>Record Association | Recoding study of<br>Hospital Medical<br>Records to<br>determine accuracy<br>as related to<br>Diagnosis Related<br>Groups and<br>subsequent hospital<br>payments. | 1/11/93       | 31/12/94          | \$113,120        | 031<br>27/8/93                    | -                                              | Age<br>12/6/93              | Only one Tender<br>received                                                                                                      |
| Simsion Bowles &<br>Associates                                              | Project to develop<br>an Information<br>Technology<br>Strategic Plan for<br>the amalgamated<br>departments.                                                       | 25/10/93      | 22/1 /94<br>(est) | \$194,090        | 060,<br>10/93                     | \$155,272<br>to date                           | Age & Australian<br>13n/93  | No. Selected from<br>short list of 10<br>following 49<br>reponses                                                                |
| Econsult (Aust) Pty<br>Ltd                                                  | ReviewSAAP<br>Service Systems in<br>each of 9 H&CS<br>regions and 1<br>statewide region                                                                           | 8/11/93       | 25/3/94           | \$197,500        | 071<br>10/93                      | \$197,500                                      | Age & Australian<br>2/10/93 | No. Lowest tender<br>price not accepted<br>following detailed<br>evaluation of 6<br>tenders.<br>Second lowest<br>tender accepted |
| National Centre for<br>Epideminology &<br>Population Health,<br>ANU         | Capital Stock in<br>Victorian Public<br>Hospitals Survey                                                                                                          | 1/1/94        | 30/4/94           | \$245,383        | 087<br>10/12/93                   | -                                              | Age<br>30/10/93             | Lowest Tender                                                                                                                    |

1. The following agencies have been selected for the purpose of providing services within the Health and Community Services Department.

Friday, 27 May 1994

**CONFIDENTIAL**

## QUESTIONS ON NOTICE

## COUNCIL

Friday, 27 May 1994

|                                       |                                                                                                                                                                                               |               |          |           |                      |           |                                                                                                                                                                   |                                                                                              |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------|-----------|----------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Connell Wagner (Vic)<br>Pty Ltd       | Client Project<br><b>Manager</b> for<br>Victorian Hospitals<br>Co-Generation<br>Project<br>- Project<br><b>Management</b><br>- <b>Financial and</b><br>Economic Analysis<br>- Software Design | <b>412194</b> | April'95 | \$241,000 | 104<br><b>411194</b> | -         | Age<br>1 & 4 Sept' 93                                                                                                                                             | Yes. Lowest<br>Tender                                                                        |
| Health Solutions P/L                  | DRG Cost weight<br>study                                                                                                                                                                      | Nov' 93       | Apr'94   | \$52,400  | <i>NIA</i>           | -         |                                                                                                                                                                   | Effectively sole<br>provider of patient<br>level cost data                                   |
| <b>Health</b> Solutions P/L           | Hospital Facility &<br>Services Location<br><b>Plan</b>                                                                                                                                       | Jul'93        | Dec'93   | \$125,000 |                      | \$125,000 | Age<br><b>1515193</b>                                                                                                                                             | No. Lowest tender<br>price not accepted<br>following detailed<br>evaluation of 8<br>tenders. |
| Simsion Bowles &<br><b>Associates</b> | Agency Information<br>Management<br>System (Aims<br>system Stage 1)                                                                                                                           | May'94        | Jun'94   | \$72,405  | <i>NIA</i>           | -         | By written<br>invitation to 12<br>companies<br>- Certification<br>obtained under<br>reg 18(1)(e)<br>Audit (Supply<br>Mgmt) Regs<br>1993 not to<br>tender publicly | No. Lowest tender<br>not accepted<br>following detailed<br>evaluation of 8<br>tenders        |
| McVicar & Renolds<br>P/L              | Review of Food<br>Services under the<br>Home &<br>Community Care<br>Program                                                                                                                   | April'94      | Sept'94  | \$98,750  | <i>NIA</i>           | -         | Age<br>1511194                                                                                                                                                    | Lowest tendered<br>price not accepted<br>following detailed<br>evaluation of 13<br>offers.   |

## Major Projects: consultancies, engagements, appointments and contracts

(Question No. 218)

Hon. D. A. NARDELLA asked the Minister for Major Projects:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. M. A. BIRRELL (Minister for Major Projects) - The answer is:

I am informed that:

The Office of Major Projects has engaged a number of consultants to provide architectural, landscaping, building construction, project management, legal, financial, urban design, engineering and town planning services to projects.

The time and resources to collate information about each specific project are not available at this time. If the honourable member seeks specific information I will be happy to provide it.

## Aboriginal Affairs: consultancies, engagements, appointments and contracts

(Question No. 234)

Hon. D. A. NARDELLA asked the Minister for Housing, for the Minister responsible for Aboriginal Affairs:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. R. I. KNOWLES (Minister for Housing) - The answer supplied by the Minister responsible for Aboriginal Affairs is:

Attached is a chart providing a list and other details of consultancies in excess of \$50 000 entered into by the Department of Health and Community Services from October 1992 to April 1994.

The time and resources required to provide this information for all statutory authorities and agencies within the portfolios of health, community services, aged care and Aboriginal affairs cannot be justified.

**HEALTH AND COMMUNITY SERVICES  
CONSULTANCY ENGAGEMENTS OCT 92 - APRIL 94  
\$50,000 +**

| CONSULTANT<br>COMPANY/NAME                                                  | BROAD TITLE<br>& PURPOSE OF<br>CONSULTANCY                                                                                                                        | START<br>DATE | COMP-<br>LETION  | \$<br>COMMITMENT | TENDER<br>BOARD<br>APPROVAL<br>NO | FINAL<br>EXPENDI-<br>TURE<br>(if<br>completed) | ADVERTISED<br>PUBLICLY?    | LOWEST<br>TENDER?                                                                                                                |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------|------------------|-----------------------------------|------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Deloille, Touche<br>Tohmatsu and<br>Victorian Medical<br>Record Association | Recoding study of<br>Hospital Medical<br>Records to<br>determine accuracy<br>es related to<br>Diagnosis Related<br>Groups and<br>subsequent hospital<br>payments. | 1/11/93       | 31/12/94         | \$113,120        | 031<br>27/8/9)                    | .                                              | Age<br>12/6/93             | Only one Tender<br>received                                                                                                      |
| Simsion Bowles &<br>Associates                                              | Project to develop<br>an Information<br>Technology<br>Strategic Plan for<br>the amalgamated<br>departments.                                                       | 25/10/93      | 22/1/94<br>(est) | \$194,090        | 060,<br>10/93                     | \$155,272<br>to date                           | Age & Austmlian<br>nn/93   | No. Selected from<br>short list of 10<br>following 49<br>reponses                                                                |
| Econsull (Aust) Ply<br>Ltd                                                  | Review SAAP<br>Service Systems in<br>each of 9 H&CS<br>regions and 1<br>statewide region                                                                          | 8/11/93       | 25/3/94          | \$197,500        | 071<br>10/93                      | \$197,500                                      | Age & Ausralian<br>2/10/93 | No. Lowest lender<br>price not accepted<br>following detailed<br>evaluation of 6<br>lenders.<br>Second lowest<br>tender accepted |
| National Centre for<br>Epideminology &<br>Population Health,<br>ANU         | Capitol Stock in<br>Victorian Public<br>Hospitals Survey                                                                                                          | 1/1/94        | 30/4/94          | \$245,383        | 087<br>10/12/93                   | -                                              | Age<br>30/10/93            | Lowest Tender                                                                                                                    |

1024

COUNCIL

QUESTIONS ON NOTICE

Friday, 27 May 1994

## QUESTIONS ON NOTICE

## COUNCIL

|                             |                                                                                                                                                        |          |          |           |               |           |                                                                                                                                           |                                                                                  |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|-----------|---------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Connell Wagner (Vic) PtyLtd | Client Project Manager for Victorian Hospitals Co-Generation Project<br>- Project Management<br>- Financial and Economic Analysis<br>- Software Design | 4/2/94   | April'9S | \$241,000 | 104<br>4/1/94 | -         | Age<br>1 & 4 Sept' 93                                                                                                                     | Yes. Lowest Tender                                                               |
| Health Solutions P/L        | DRG Cost weight study                                                                                                                                  | Nov' 93  | Apr'94   | \$52,400  | N/A           | -         |                                                                                                                                           | Effectively sole provider of patient level cost data                             |
| Health Solutions P/L        | Hospital Facility & Services Location Plan                                                                                                             | Jul'93   | De '93   | \$125,000 |               | \$125,000 | Age<br>15/5/93                                                                                                                            | No. Lowest tender price not accepted following detailed evaluation of 8 tenders. |
| Simsion Bowles & Associates | Agency Information Management System (Aims system Stage 1)                                                                                             | May'94   | Jun'94   | \$72,405  | N/A           | -         | By written invitation to 12 companies<br>- Certification obtained wider reg 18(1)(e) Audit (Supply Mgmt) Regs 1993 not to tender publicly | No. Lowest tender not accepted following detailed evaluation of 8 tenders        |
| McVicar & Renolds P/L       | Review of food Services under the Home & Community Care Program                                                                                        | April'94 | Sept'94  | \$98,750  | N/A           | -         | Age<br>15/1/94                                                                                                                            | Lowest tendered price not accepted following detailed evaluation of 13 offers.   |

**Community Services: consultancies, engagements, appointments and contracts**

(Question No. 235)

Hon. D. A. NARDELLA asked the Minister for Housing, for the Minister for Community Services:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. R. I. KNOWLES (Minister for Housing) - The answer supplied by the Minister for Community Services is:

Attached is a chart providing a list and other details of consultancies in excess of \$50 000 entered into by the Department of Health and Community Services from October 1992 to April 1994.

The time and resources required to provide this information for all statutory authorities and agencies within the portfolios of health, community services, aged care and Aboriginal affairs cannot be justified.

**HEALTH AND COMMUNITY SERVICES  
CONSULTANCY ENGAGEMENTS OCT 92 - APRIL 94  
\$50,000 +**

| CONSULTANT<br>COMPANY/NAME                                                  | BROAD TITLE<br>& PURPOSE OF<br>CONSULTANCY                                                                                                                        | START<br>DATE | COMP-<br>LETION  | \$<br>COMMITMENT | TENDER<br>BOARD<br>APPROVAL<br>NO | FINAL<br>EXPENDI-<br>TURE<br>(if<br>completed) | ADVERTISED<br>PUBLICLY?     | LOWEST<br>TENDER?                                                                                                                |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------|------------------|-----------------------------------|------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Deloitte, Touche<br>Tohmatsu and<br>Victorian Medical<br>Record Association | Recoding study of<br>Hospital Medical<br>Records to<br>determine accuracy<br>es related to<br>Diagnosis Related<br>Groups and<br>subsequent hospital<br>payments. | 1/11/93       | 31/12/94         | \$113,120        | 031<br>27/8/93                    | -                                              | Age<br>12/6/93              | Only one Tender<br>received                                                                                                      |
| Simsion Bowles &<br>Associates                                              | Project to develop<br>an Infonnation<br>Technology<br>Strategic Plan for<br>the amalgamated<br>departments.                                                       | 2S/10/93      | 22/1/94<br>(est) | \$194,090        | 060,<br>10/93                     | \$155,272<br>to date                           | Age & Australian<br>13n193  | No. Selected f'om<br>short list of 10<br>following 49<br>reponses                                                                |
| Econsull (Aust) Pty<br>Ltd                                                  | ReviewSAAP<br>Service Systems in<br>ench of 9 H&CS<br>regions and 1<br>statewide region                                                                           | 8/11/93       | 25/3/94          | \$197,500        | 071<br>10/93                      | \$197,500                                      | Age & Australian<br>2/10/93 | No. Lowest tender<br>price nol accepted<br>following detailed<br>evaluation of 6<br>tenders.<br>Second lowest<br>tender accepted |
| National Centre for<br>Epideminology &<br>Population 1lealth,<br>ANU        | Capital Stock in<br>Victorian Public<br>Hospitals Swvcy                                                                                                           | 1/1/94        | 30/4/94          | \$245,383        | 087<br>10/12/93                   | -                                              | Age<br>30/10/93             | Lowest Tender                                                                                                                    |

Friday, 27 May 1994

QUESTION 3 ON NOTICE  
COUNCIL

1074

QUESTIONS ON NOTICE

COUNCIL

Friday, 27 May 1994

|                                 |                                                                                                                                                                         |          |          |           |               |           |                                                                                                                                                                   |                                                                                              |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|-----------|---------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Connell Wogner (Vic)<br>Ply Ltd | Client Project<br>Manager for<br>Victorian Hospitals<br>Co-Generation<br>Project<br>- Project<br>Management<br>-Financial and<br>Economic Analysis<br>- Software Design | 4/2/94   | April'94 | \$241,000 | 104<br>4/1/94 | -         | Age<br>1 & 4 Sept' 93                                                                                                                                             | Yes. Lowest<br>Tender                                                                        |
| Health Solutions P/L            | DRG Cost weight<br>study                                                                                                                                                | Nov' 93  | Apr'94   | \$52,400  | NIA           | -         |                                                                                                                                                                   | Effectively sole<br>provider of patient<br>level cost data                                   |
| Health Solutions P/L            | Hospital Facility &<br>Services Location<br>Plan                                                                                                                        | Jul'93   | Dec'93   | \$125,000 |               | \$125,000 | Age<br>15/1/93                                                                                                                                                    | No. Lowest tender<br>price not accepted<br>following detailed<br>evaluation of 8<br>tenders. |
| Simion Bowles &<br>Associates   | Agency Information<br>Management<br>System (Aims<br>system Stage 1)                                                                                                     | May'94   | Jun'94   | \$72,405  | NIA           | -         | By written<br>invitation to 12<br>companies<br>- Certification<br>obtained under<br>reg 18(1)(c)<br>Audit (Supply<br>Mgmt) Regs<br>1993 not to<br>tender publicly | No. Lowest tender<br>not accepted<br>following detailed<br>evaluation of 8<br>tenders        |
| McVicar & Renolds<br>P/L        | Review of food<br>Services under the<br>Home &<br>Community Care<br>Program                                                                                             | April'94 | Sept'94  | \$98,750  | NIA           | -         | Age<br>15/1/94                                                                                                                                                    | Lowest tendered<br>price not accepted<br>following detailed<br>evaluation of 13<br>offers.   |

## Health: consultancies, engagements, appointments and contracts

(Question No. 236)

Hon. D. A. NARDELLA asked the Minister for Housing, for the Minister for Health:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - ( i ) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. R. I. KNOWLES (Minister for Housing) - The answer supplied by the Minister for Health is:

Attached is a chart providing a list and other details of consultancies in excess of \$50 000 entered into by the Department of Health and Community Services from October 1992 to April 1994.

The time and resources required to provide this information for all statutory authorities and agencies within the portfolios of health, community services, aged care and Aboriginal affairs cannot be justified.

**HEALTH AND COMMUNITY SERVICES  
CONSULTANCY ENGAGEMENTS OCT 92-APRIL 94  
\$50,000 +**

| CONSULTANT<br>COMPANY/NAME                                                  | BROAD TITLE<br>&PURPOSE OF<br>CONSULTANCY                                                                                                                         | START<br>DATE | COMP-<br>LETION  | \$<br>COMMITMENT | TENDER<br>BOARD<br>APPROVAL<br>NO | FINAL<br>EXPENDI-<br>TURE<br>(if<br>completed) | ADVERTISED<br>PUBLICLY?     | LOWEST<br>TENDER?                                                                                                                |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------|------------------|-----------------------------------|------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Deloitte, Touche<br>Tohmatsu and<br>Victorian Medical<br>Record Association | Recoding study of<br>Hospital Medical<br>Records to<br>determine accuracy<br>as related to<br>Diagnosis Related<br>Groups and<br>subsequent hospital<br>payments. | 1/11/93       | 31/12/94         | \$113,120        | 031<br>27/8/93                    | -                                              | Age<br>12/6/93              | Only one Tender<br>received                                                                                                      |
| Simsion Bowles &<br>Associates                                              | Project to develop<br>an Information<br>Technology<br>Strategic Plan for<br>the amalgamated<br>departments.                                                       | 25/10/93      | 22/1/94<br>(est) | \$194,090        | 060,<br>10/93                     | \$155,272<br>to date                           | Age & Australian<br>13/nt93 | No. Selected from<br>short list of 10<br>following 49<br>reponses                                                                |
| Econsult (Aust) Ply<br>Ltd                                                  | Review SAAP<br>Service Systems in<br>each of 9 H&CS<br>regions and 1<br>statewide region                                                                          | 8/11/93       | 25/3/94          | \$197,500        | 071<br>10/93                      | \$197,500                                      | Age & Australian<br>2/10/93 | No. Lowest tender<br>price not accepted<br>following detailed<br>evaluation of 6<br>tenders.<br>Second lowest<br>tender accepted |
| National Centre for<br>Epideminology &<br>Population Health,<br>ANU         | Capital Stock in<br>Victorian Public<br>Hospitals Survey                                                                                                          | 1/1/94        | 30/4/94          | \$245,383        | 087<br>10/12/93                   | -                                              | Age<br>30/10/93             | Lowest Tender                                                                                                                    |

1030

03 F

QUESTIONS ON NOTICE

77 MAY 1994

## QUESTIONS ON NOTICE

## COUNCIL

|                              |                                                                                                                                                        |          |          |           |            |           |                                                                                                                                              |                                                                                  |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|-----------|------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Connell Wagner (Vic) Pty Ltd | Client Project Manager for Victorian Hospitals Co-Generation Project<br>- Project Management<br>- Financial and Economic Analysis<br>- Software Design | 4/2/94   | April'95 | \$241,000 | 104 4/1/94 | -         | Age 1 & 4 Sept' 93                                                                                                                           | Yes. Lowest Tender                                                               |
| Health Solutions P/L         | DRG Cost weight study                                                                                                                                  | Nov' 93  | Apr'94   | \$52,400  | NIA        | -         |                                                                                                                                              | Effectively sole provider of patient level cost data                             |
| Health Solutions P/L         | Hospital Facility & Services Location Plan                                                                                                             | Jul'93   | Dec'93   | \$125,000 |            | \$125,000 | Age 15/5/93                                                                                                                                  | No. Lowest tender price not accepted following detailed evaluation of 8 tenders. |
| Simson Bowles & Associates   | Agency Information Management System (Aims system Stage 1)                                                                                             | May'94   | Jul'94   | \$72,405  | NIA        | -         | By written invitation to 12 companies<br>- Certification obtained under reg 18(1)(e)<br>Audit (Supply Mgmt) Regs 1993 not to tender publicly | No. Lowest tender not accepted following detailed evaluation of 8 tenders        |
| McVicar & Renolds P/L        | Review of Food Services under the Home & Community Care Program                                                                                        | April'94 | Sept'94  | \$98,750  | NIA        | -         | Age 15/11/94                                                                                                                                 | Lowest tendered price not accepted following detailed evaluation of 13 offers.   |

# QUESTIONS ON NOTICE

1032

COUNCIL

Friday, 27 May 1994

## Energy and Minerals: consultancies, engagements, appointments and contracts

(Question No. 244)

Hon. D. A. NARDELLA asked the Minister for Local Government, for the Minister for Energy and Minerals:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. R. M. HALLAM (Minister for Local Government) - The answer supplied by the Minister for Energy and Minerals is:

Renewable Energy Authority Victoria

| Name                        | Purpose                            | Period             | Amount \$ |
|-----------------------------|------------------------------------|--------------------|-----------|
| R L Polk & Co Pty Ltd       | Direct mailing                     | 18/9/93 - 30/11/93 | 73,227    |
| Mosaic Studios              | Production of Housing Manual       | 29/4/93 - 30/5/94  | 61,079    |
| Mosaic Studios              | Production of Commercial Manual    | 29/4/94 - 30/5/94  | 62,064    |
| Leeds Media & Communication | Media buying (Government Contract) | 1/10/93 - 24/5/94  | 181,938   |

# QUESTIONS ON NOTICE

Friday, 27 May 1994

COUNCIL

1033

Department of Energy and Minerals

| Name                            | Purpose                                                                                                                                       | Period                                  | Amount \$ |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------|
| RCG Hagler Bailly Inc           | Study of externalities factors in Energy Sector                                                                                               | July 1992 to November 1992              | 199,934   |
| A G Marlow & Associates Pty Ltd | Dwmolly contact geological mapping                                                                                                            | January 1994 to November 1994           | 65,000    |
| Geo Instrument Pty Ltd          | Helicopter survey and processing over the Mt Wellington area                                                                                  | February 1993 to May 1993               | 205,464   |
| Geo Instrument Pty Ltd          | Helicopter survey and processing over the Orbost area acquisition                                                                             | February 1994 to March 1994             | 239,930   |
| Geo Instrument Pty Ltd          | Helicopter survey extension and processing - Orbost area acquisition                                                                          | Still in progress. Commenced March 1994 | 200,000   |
| SRC Australia                   | Three linked studies to develop a Commercial Building Energy Code                                                                             | September 1992 to August 1993           | 357,865   |
| Ian Wadham & Associates         | Programming support for GEDIS applications development                                                                                        | June 1992 to March 1993                 | 71,680    |
| Ernst & Young                   | Investigate and recommend on the principals of separation of regulated and non-regulated activities for the electricity distribution business | January 1994 to February 1994           | 94,400    |
| John Peebles & Associates       | Executive search assignment for four Energy Division vacancies                                                                                | Still in progress. Commenced March 1994 | 98,000    |

# QUESTIONS ON NOTICE

1034

COUNCIL..

Friday, 27 May 1994

Energy Brix Australia

| Name                           | Purpose                                         | Amount \$     |
|--------------------------------|-------------------------------------------------|---------------|
| August Metal & Alloy Co        | Maintenance                                     | 64,060        |
| M J Bonello                    | Freight                                         | 56,015        |
| Browns Holt & Hannon (Vic)     | Freight                                         | 55,865        |
| Cerezo Holdings Pty Ltd        | Financial Services                              | 168,958       |
| Conaust Ltd                    | Stevedoring                                     | 606,299       |
| Continental Freight Services   | Briquette Packaging Contract                    | 234,372       |
| Crow Industries Pty Ltd        | Maintenance                                     | 194,336       |
| Gardner Perrott                | Maintenance                                     | 95,226        |
| J Hassett Pty Ltd              | Freight                                         | 179,474       |
| J Horell                       | Freight                                         | 51,176        |
| JEKS Transport                 | Freight                                         | 54,249        |
| Latrobe Valley Enterprises     | Packaging Contract                              | <b>58,248</b> |
| Leeton Arch Pty Ltd            | Freight                                         | 63,882        |
| Linfox Transport Aust          | Freight and Equipment Hire                      | <b>83,422</b> |
| L D Malady & Sons Pty Ltd      | Freight                                         | 386,696       |
| Menzies International          | Cleaning                                        | 206,527       |
| BA & DJ Norton                 | Freight                                         | 95,047        |
| JW & H. O'Connor               | Freight                                         | 227,115       |
| Phillips Fox                   | Legal Services                                  | 118,231       |
| Port of Melbourne Authority    | Port Services re Export Shipments of Briquettes | 182,285       |
| Power Grid Group Power Network | Operation of Control Room at Production Complex | 82,574        |
| Rheem Australia                | Plastic Packaging                               | 66,169        |
| M & I Runge                    | Management Services                             | 74,712        |
| Simon Carves Australia         | Form Setting Contract                           | 358,167       |
| Transwest Haulage Pty Ltd      | Freight                                         | 66,387        |
| Public Transport Corporation   | Rail Freight                                    | 4,415,605     |

# QUESTIONS ON NOTICE

Friday, 27 May 1994

COUNCIL

1035

Coal Corporation of Victoria

| Name                                   | Purpose                                                      | Amount \$     |
|----------------------------------------|--------------------------------------------------------------|---------------|
| Nicholson Guthrie Advertising          | Product launch and advertising                               | 1.00,000      |
| Richard Ellis Pty Ltd                  | Valuations and estimations                                   | 58,000        |
| SECV International Pty Ltd             | Coal supply facilities                                       | 77, 1.17      |
| Wareham Associates (Australia) Pty Ltd | Employee recruitment and evaluation                          | 88, 1.71.     |
| Australasian Resources                 | Coal supply, pricing and contracts                           | <b>92,402</b> |
| Cerezo Holdings                        | Business Plan and development                                | 1.76,750      |
| I & M Runge                            | Technical operations and negotiation of Enterprise Agreement | 75,1.1.6      |

# QUESTIONS ON NOTICE

1036

COUNCIL

Friday, 27 May 1994

Gas and Fuel Corporation of Victoria

| Name                                        | Purpose                                                                                 | Amount \$ |
|---------------------------------------------|-----------------------------------------------------------------------------------------|-----------|
| Andersen Consulting                         | Phase 1 of Works Management System                                                      | 174,000   |
|                                             | Design, <b>Supply and</b> Implementation of Works Management System:                    | 75,000    |
|                                             | Part A<br>Design, <b>Supply and</b> Implementation of Work Management System:<br>Part B | 300,000   |
| Australia Consulting Partners               | Marketing Strategies                                                                    | 53,000    |
| Boston Consulting                           | SVA Project (total shareholder return/value-based management)                           | 67,000    |
| Chriskate                                   | Logistics Write-up associated with <b>MMS</b>                                           | 50,000    |
| Connell Wagner                              | Detail Design of LPG Cylinder Refilling Facility                                        | 101,000   |
| Currie & Brown, Cameron & Middleton Pty Ltd | Environmental Auditors Services                                                         | 51,000    |
| Deloitte Ross Tohmatsu                      | Corporate Services                                                                      | 68,000    |
|                                             | Viability Review of Technical Services Section                                          | 55,000    |
| Ernst & Young                               | Evaluation of Accounting Systems                                                        | 60,000    |
| Hermes International Trading                | International Marketing for <b>NGV</b>                                                  | 68,000    |
| Housley Communications                      | Technical Data Communication Team                                                       | 52,000    |
| John Lancaster & Assoc                      | GASMAN Project Requirements and Solution Selection Phase                                | 57,000    |
| Kennedy Scott Furphy Pty Ltd                | Gas Management Project                                                                  | 99,000    |
| KPMG Peat <b>Marwick</b>                    | Plan for High Level Regulatory Affairs Office                                           | 103,000   |
|                                             | Risk Management                                                                         | 96,000    |
|                                             | Costing Study Project                                                                   | 80,000    |
| Lane Telecommunications                     | Develop Telecommunications Strategy                                                     | 99,000    |
|                                             | Communications Strategic <b>Review</b>                                                  | 155,000   |
| Merrill Lynch/Potter Warburg                | <b>Review</b> of Structural and Funding Alternatives                                    | 265,000   |
| Pipe Line Technologists                     | Pipeline Inspection Services - Portland                                                 | 786,000   |

# QUESTIONS ON NOTICE

Friday, 27 May 1994

COUNCIL

1037

Gas and Fuel Corporation of Victoria cont.

| Name                    | Purpose                                                                           | Amount \$        |
|-------------------------|-----------------------------------------------------------------------------------|------------------|
| Price Waterhouse        | Examination of Natural Gas Transmission                                           | 1.60,000         |
|                         | Fixed Assets Project                                                              | 1.17,000         |
|                         | Strategy/Advice for Sale of Surplus Lands                                         | 1.42,000         |
| Price Waterhouse Urwick | Integrated Planning Process Implementation and support of <b>R&amp;SI</b> Project | 59,000           |
|                         | SEAGAS/FLAME Reconciliation Team                                                  | <b>2,748,000</b> |
|                         | <b>Advice</b> to <b>GASMARK</b> Retail Appliance                                  | 86,000           |
|                         | Phase <b>II</b> Reporting Project ( <b>FLAME</b> )                                | 281.,000         |
|                         |                                                                                   | 80,000           |
| Quadrant Research       | Market Research                                                                   | 1.62,000         |
| SAP Australia           | IT Consultation                                                                   | 1.52,000         |
| Staff Solutions Group   | Technical Data Communications Team                                                | 52,000           |
| Westin Engineering      | Gas Management System Phase 1                                                     | 278,000          |

Please Note:

Not all Gas and Fuel Corporation of Victoria consultancies have been included due to sub judice and commercial-in-confidence reasons.

# QUESTIONS ON NOTICE

1038

COUNCIL

Friday, 27 May 1994

State Electricity Commission of Victoria  
(Period 1 July 1992 to 30 June 1993)

| Name                                       | Purpose                                | Amount \$ |
|--------------------------------------------|----------------------------------------|-----------|
| PA Consulting                              | Power Grid Consulting Model            | 192,000   |
| KPMG Consulting                            | Management Development Program         | 98,000    |
| IBM                                        | customer Training                      | 77,000    |
| PA Consulting                              | Power Grid Strategic Business Analysis | 149,500   |
| ICS Solutions                              | Contract Analyst/Programmer            | 65,000    |
| Lelor Pty Ltd                              | Contract Analyst/Programmer            | 87,000    |
| DMR                                        | Business Study                         | 100,000   |
| PA Consulting                              | Business Study                         | 145,000   |
| Analysis Automation                        | Methane Monitoring System              | 91,000    |
| KRUPP                                      | Technical Services for Dredger 27      | 309,000   |
| Dynamic Business Services                  | Contract Analyst/Programmer            | 52,500    |
| Royce MS&L                                 | Corporate Relations Support            | 800,000   |
| SECV International                         | Solar Monitoring Project               | 100,000   |
| Dr B Chadwick                              | Post doctoral scholarship              | 60,000    |
| KPMG/Wincor                                | Diligence Review                       | 70,000    |
| Monash University                          | Millijet Gas Analysis System           | 1.60,000  |
| CSIRO                                      | Concreter mixes - brown coal           | 250,000   |
| ECC Inc                                    | Employment contract                    | 736,000   |
| Byrne Fleming Consulting Australia Pty Ltd | Advise input - Snowy Scheme            | 55,000    |
| Software Research Group                    | Technical Specifications               | 70,000    |
| MAST Organisation                          | Management Development Program         | 60,000    |
| Coopers & Lybrand                          | Logistics Strategy Study               | 100,000   |
| Baryul Pty Ltd                             | Contract Analyst/Programmer            | 94,000    |
| Dynamic Business Services                  | Contract Analyst/Programmer            | 55,000    |
| Coopers & Lybrand                          | Review of MMIS System                  | 65,000    |
| Price Waterhouse                           | Resourcing Assistance                  | 83,800    |
| Siemens                                    | Ultrasonic Testing                     | 70,000    |
| Environmental Business Strategies          | Review of Environmental Communications | 60,000    |
| SRC Australia Pty Ltd                      | Guaranteed Service Levels              | 76,000    |

# QUESTIONS ON NOTICE

Friday, 27 May 1994

COUNCIL

1039

State Electricity Commission of Victoria cont.  
(Period 1 July 1992 to 30 June 1993)

| Name                       | Purpose                                                      | Amount \$ |
|----------------------------|--------------------------------------------------------------|-----------|
| Forster Electronic         | Energy Audit Service                                         | 90,000    |
| Manmor Pty Ltd             | Energy Audit Service                                         | 90,000    |
| New Focus Pty Ltd          | Identification implementation of customer Service behaviours | 180,000   |
| Andersen Consulting        | Cost Audit CIS                                               | 50,000    |
| DMR                        | Management Support                                           | 250,000   |
| DMR                        | Technical Services                                           | 100,000   |
| DMR                        | Technical Services                                           | 130,000   |
| Deisgin Pty Ltd            | Analyst/Programmer                                           | 72,500    |
| Forty Fifth Sonmar Pty Ltd | Analyst/Programmer                                           | 80,000    |
| Unedus Scaffolding         | Analyst/Programmer                                           | 75,000    |
| Tempy Pty Ltd              | Analyst/Programmer                                           | 65,000    |
| Auspen Systems Pty Ltd     | Analyst/Programmer                                           | 52,000    |
| Deisgin Pty Ltd            | Analyst/Programmer                                           | 140,000   |
| UMS Group Inc              | Benchmarking for Substation design and construction          | 156,000   |

Please Note: Refer to State Electricity Commission successor bodies: Generation Victoria, National Electricity and Electricity Services Victoria for matters after 30 June 1993

# QUESTIONS ON NOTICE

1040

COUNCIL

Friday, 27 May 1994

Generation Victoria  
(Period 1 July 1993 to 30 April 1994)

| Name                                | Purpose                                           | Amount \$ |
|-------------------------------------|---------------------------------------------------|-----------|
| McKinsey & Co                       | Technical Assistance in disaggregation            | 448,291   |
| KPMG Peat Marwick/NAB               | Arrangement of investment consortium              | 200,000   |
| Forty-Forth Debate                  | Project cost engineering service                  | 128,800   |
| Doncaster Professional              | Project control services                          | 123,100   |
| William Burt                        | Project accounting services                       | 373,000   |
| ABB Power Plants                    | Newport overhaul                                  | 205,000   |
| AEA Sonomatic Ltd                   | Newport overhaul                                  | 60,000    |
| Mining Materials Handling           | Inspection of Open Cut Machines                   | 99,500    |
| Currie & Brown, Cameron & Middleton | Maintenance Outsourcing                           | 98,000    |
| Fluor Daniel                        | WPS overhaul                                      | 93,000    |
| Morgan and Banks                    | Job Search Centres                                | 271,368   |
| Price Waterhouse Urwick             | Job Search Centres                                | 190,827   |
| Dwyer & Beck DBM                    | Job Search Centres                                | 65,380    |
| Pacific Power                       | EFP Study W Power Station                         | 344,109   |
| M&R Samblebe Pty Ltd                | Project cost engineering service Loy Yang Project | 58,500    |

# QUESTIONS ON NOTICE

Friday, 27 May 1994

COUNCIL

1041

Electricity Services Victoria  
(Period 1 July 1993 to 26 April 1994)

| Name                                  | Purpose                                                                         | Amount \$         |
|---------------------------------------|---------------------------------------------------------------------------------|-------------------|
| <b>Pittaway</b> Agency                | Brochure Printing<br>Printing for residential<br>appliance promotion            | 66,392<br>236,000 |
| Information Builders<br>(Paul Rodder) | Modification of Line<br>Information System                                      | 70,000            |
| Itron Australia                       | Development and supply of<br>portable data entry devices for<br>pole inspection | 100,000           |
| AAA Asbestos Ctrs                     | Removal of domestic space<br>heaters                                            | 250,000           |
| Laurens                               | Debt collection services                                                        | 200,000           |
| <b>IBM</b>                            | Purchase of notebooks, software                                                 | 140,800           |
| <b>AGB</b> McNair                     | Guaranteed Service Levels image<br>study                                        | 55,000            |
| Ramis Corporation                     | Service image study                                                             | 90,000            |
| Coopers & Lybrand                     | Industry benchmarking                                                           | 52,000            |
| UGC Consulting                        | Hardware and software study                                                     | 270,000           |
| <b>New</b> Focus                      | Guaranteed Service Levels<br>explain guides                                     | 73,925            |
| Forster Electronic                    | Energy Audit Services                                                           | 90,000            |
| Manmer Pty Ltd                        | Energy Audit Services                                                           | 90,000            |
| CVQ Pty Ltd                           | Total quality management survey<br>and planning                                 | 70,000            |
| Price Waterhouse                      | Establishment of stand alone<br>businesses audit                                | 75,000            |
| Coopers & Lybrand                     | Electricity supply industry<br>review re wholesale market                       | 100,000           |
| UMS Group: Pace                       | Benchmarking                                                                    | 60,000            |
| Marakon Associates                    | Value based strategic planning                                                  | 500,000           |
| Blake Dawson Waldron                  | Legal advice re disaggregation                                                  | 250,000           |

# QUESTIONS ON NOTICE

1042

COUNCIL

Friday, 27 May 1994

National Electricity  
(Period 1 July 1993 to 30 April 1994)

| Name                            | Purpose                                                                                                                                                                             | Amount \$      |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| London Economics                | Economic and Management Advice                                                                                                                                                      | 50,000         |
| Coopers & Lybrand               | Develop user documentation for the generation scheduling software                                                                                                                   | 50,000         |
| Price Waterhouse                | Prepare draft PoolCo Business Plan                                                                                                                                                  | 50,000         |
| Macro Corp                      | Provide external Project Manager for VicPool Systems                                                                                                                                | 225,000 (est.) |
| ECC inc                         | Provide support for the development of the System Coie, preparation of ancillary service contracts, training of operational staff and a'..ldtir.g the VicPool III real time systems | 90,000 (est..) |
| Coopers & Lybrand               | Provide detailed implementation support                                                                                                                                             | 200,000 iest.) |
| Arthur Andersen                 | Review VicPool Development Plan and audit VicPool ! I following the new market arrangemer..ts                                                                                       | 75,000 (est.)  |
| Executive Interim MGT           | Interim Manager                                                                                                                                                                     | 250,000        |
| SMS Consulting                  | Technical services work associated with the disaggregation of the cust:omer services group                                                                                          | 60,000         |
| Emmett and Shilito              | Analyst/Programmers                                                                                                                                                                 | 65,000         |
| New Focus Pty Ltd               | Communications strat.egy information kit                                                                                                                                            | 55,000         |
| P. Consulting                   | Asset Management Strategy                                                                                                                                                           | 15:...,921     |
| Supervision Productions Pty Ltd | Storage and maintenance for film and tape library                                                                                                                                   | 70,000         |
| Thomson White                   | Advertising services                                                                                                                                                                | 850,000        |
| Warehousing and Distribution    | Storage and dis-;rib'...ltion of educational material                                                                                                                               | 220,000        |
| Stylegraph Pty Ltd              | Production delivery/signage for! a 12 month period                                                                                                                                  | 220,000        |
| FX Display and Exhibitions      | Work associated with the storage and display of exhibitions                                                                                                                         | 250,000        |
| Hill and Knowlton Aust Pty Ltd  | Public Relations technical services support                                                                                                                                         | 220,000        |
| Supervision Productions Pty Ltd | Labour and Equipment for 12 months videotape produ=tic                                                                                                                              | 900,000        |

# QUESTIONS ON NOTICE

Friday, 27 May 1994

COUNCIL

1043

National Electricity cont.  
(Period 1 July 1993 to 30 April 1994)

| Name                            | Purpose                                                                                                                                                       | Amount \$ |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Byrn Fleming Consulting Pty Ltd | Transmission Grid Company options and issues                                                                                                                  | 607,000   |
| ABB Power Trans                 | Grading capacitors                                                                                                                                            | 231.,760  |
| <b>ESV</b> Northwest            | Pole Relocation Reservoir                                                                                                                                     | 52,876    |
| <b>ESV</b> Brooklyn             | Storage of plant at Brooklyn                                                                                                                                  | 150,000   |
| ESV Northwest                   | Relocate 66Kv line SBY-WND                                                                                                                                    | 50,892    |
| <b>ESV</b> Northwest            | Calder Highway cable relocation                                                                                                                               | 300,000   |
| MK Shean                        | Provide expertise in developing ESI pooling arrangements                                                                                                      | 295,000   |
| Noel Blythe                     | <b>Assist</b> in designing and writing detailed user documentation for the generation scheduling software currently unde- development by National Electricity | 50,000    |
| Peterborough                    | Software Support - <b>UNIPAY</b>                                                                                                                              | 66,000    |
| Sterling                        | Software Licence - Solve Problem                                                                                                                              | 53,957    |
| Executive Comp                  | Software Support - Playback File Aid                                                                                                                          | 61,738    |
| <b>res</b> Solutions            | Programming Assistance                                                                                                                                        | 65,000    |
| Lelor                           | Programming Assistance                                                                                                                                        | 125,000   |
| Lucas Management                | Software Licence - JSS                                                                                                                                        | 58,760    |
| <b>PA</b>                       | ABC Project Assistance                                                                                                                                        | 145,000   |
| <b>BMC</b>                      | Software Support - Superoptimiser                                                                                                                             | 85,000    |
| <b>CA</b>                       | Software Support - CA Look                                                                                                                                    | 195,000   |

The information provided has been compiled from accounting records, is believed to be correct, but may not be a complete list.

Employment contracts for agencies' employees are not included.

The time and resources required to provide a full, detailed answer would be considerable and cannot be justified.

**Finance: consultancies, engagements, appointments and contracts**

(Question No. 247)

Hon. D. A. NARDELLA asked the Minister for Regional Development, for the Minister for Finance:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of \$50 000 entered into since October 1992 to perform any work, employment, task, assignment, chore, duty, job, responsibility or in any way to assist in the running of the department, ministry or the statutory authorities or agencies for which the Minister is responsible -

- (a) What is the name of each company or agency so engaged?
- (b) For each company so engaged or contracted - (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement; if so, on what date and in which newspaper; (v) was the successful tender the lowest tendered price and, if not, will the minister lay on the table of the library the justification or reasons for engaging the contract or consultancy; and (vi) was Tender Board approval obtained?

Hon. R. M. HALLAM (Minister for Regional Development) - The answer supplied by the Minister for Finance is:

The time and resources to provide the level of detail requested cannot be justified. However, the following information from the department's consultancy register is provided as an interim reply. Information relating to other expenditure requested is still being collated and will be provided shortly.

| Consultant                           | Purpose                                                                                | Contract Amount |
|--------------------------------------|----------------------------------------------------------------------------------------|-----------------|
| R.S. Mitchell & Co. P/L              | Superannuation Review Project - General Actuarial Advice and Actuarial Modelling       | \$95,669        |
| Deloitte, Ross, Tohmatsu             | Superannuation Review Project - Advice on Tax Implications                             | \$65,000        |
| Freehill Hollingdale & Page          | Superannuation Review Project - Advice on Legislation and Industrial Relations         | \$361,629       |
| Consultel                            | To review feasibility of shared support facilities for the Emergency Services Agencies | \$68,690        |
| Vistel                               | Telecommunications Network Planning                                                    | \$54,600        |
| Coopers & Lybrand                    | Accrual Accounting Project                                                             | \$89,500        |
| Andersen Consulting                  | Review into Government purchasing arrangements                                         | \$63,000        |
| Ferrier & Hodgson Corporate Advisory | Sale of Vic Computing                                                                  | \$90,000        |
| Sedgwick Ltd                         | Review of Government insurance program                                                 | \$64,000        |
| Deloitte Touche Tohmatsu             | Information Technology Services Outsourcing                                            | \$201,000       |

## QUESTIONS ON NOTICE

Friday, 27 May 1994

COUNCIL

1045

|                             |   |                                                  |           |
|-----------------------------|---|--------------------------------------------------|-----------|
| Price Waterhouse Urwick     | ) |                                                  |           |
| Freehill Hollingdale & Page | ) |                                                  |           |
| Towers Perrin               | ) | Superannuation Review Project                    | \$555,000 |
| <b>W.M.</b> Mercer          | ) |                                                  |           |
| Financial Synergy           | ) |                                                  |           |
| R.S. Mitchell & Co.         | ) |                                                  |           |
| Freehill Hollingdale & Page | ) | Superannuation <b>Review</b> Project (Variation) | \$51,600  |
| Freehill Hollingdale & Page | ) | Superannuation <b>Review</b> Project (Variation) | \$15,000  |
| Price Waterhouse Urwick     | ) |                                                  |           |
| <b>W.M.</b> Mercer          | ) | Superannuation and Insurance Policy              | \$260,000 |
| Towers Perrin               | ) |                                                  |           |
| Freehill Hollingdale & Page | ) |                                                  |           |

### Housing: grants

(Question No. 248)

Hon. D. A. NARDELLA asked the Minister for Housing:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. R. I. KNOWLES (Minister for Housing) - The answer is:

The time and resources to collate information about each specific grant are not available at this time. If the honourable member seeks specific information I will be happy to provide it.

## QUESTIONS ON NOTICE

1046

COUNCIL

Friday, 27 May 1994

### Aged Care: grants

(Question No. 249)

Hon. D. A. NARDELLA asked the Minister for Aged Care:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. R. I. KNOWLES (Minister for Aged Care) - The answer is:

Funding under the aged care program is available to meet operating costs and capital expenditure on facilities providing nursing home and rehabilitation care, domiciliary and home help services under the home and community care and palliative care programs.

With the exception of expansion funds under the home and community care program (HACC) the department does not call for applications for funding from service providers. Under the HACC program applications are called for during the year. Generally these funds are made available to local government authorities, the Royal District Nursing Service and senior citizen centres.

The following information is provided in respect of grants paid to non-government organisations or individuals in relation to aged care for the 1993-94 financial year.

The Minister for Aged Care authorises grants in excess of \$400 million to around 920 service providers who are paid according to conditions specified in funding and service agreements.

The general focus of the department is to link inputs with agreed outputs and to establish benchmark costs. In many programs the appropriateness of calling for applications is questionable as the number of service providers is limited.

The majority of funding is provided for nursing homes under the CAM-SAM funding model which provides funds on the basis of the level of care required by residents. Funding is determined by a formula which comprises three elements.

CAM (Care Aggregated Module)

Provides an allowance for the personal care requirements of clients.

SAM (Standard Aggregated Module)

A standard grant for non-nursing and non-personal care costs.

OCRE (Other Costs Reimbursed Expenditure)

Full reimbursement for agreed items including WorkCover insurance costs, long service leave and superannuation for CAM Staff.

Funding is also provided to extended care centres for acute inpatient services for older people for the following streams of care:

- assessment and evaluation
- medical services
- rehabilitation
- palliative care
- psycho geriatric care

This funding has been based on negotiated levels of service and in the future will be based on casemix costings for these types of care.

Funding will continue subject to satisfactory performance according to the terms of the funding and service agreements and the provision of funds by the Government.

### Major Projects: grants

(Question No. 252)

Hon. D. A. NARDELLA asked the Minister for Major Projects:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?

## QUESTIONS ON NOTICE

Friday, 27 May 1994

COUNCIL

1047

- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. **M. A. BIRRELL** (Minister for Major Projects) - The answer is:

To date, no grants have been distributed by the Office of Major Projects on or after 3 October 1992.

### Aboriginal Affairs: grants

(Question No. 268)

Hon. D. A. NARDELLA asked the Minister for Housing, for the Minister responsible for Aboriginal Affairs:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. R. I. **KNOWLES** (Minister for Housing) - The answer supplied by the Minister responsible for Aboriginal Affairs is:

The following information is provided in respect of grants paid to non-government organisations in relation to Aboriginal affairs for the 1993-94 financial year.

The Minister responsible for Aboriginal Affairs authorises grants of approximately \$3.5 million to in excess of 45 Aboriginal community organisations mainly for capital projects to assist Aboriginal communities.

Up to 20 Aboriginal community organisations receive grants for the employment of cultural officers. The tasks of cultural officers include the researching and documenting of local Aboriginal history and traditions, conducting cultural awareness activities, assisting in the identification and preservation of Aboriginal sites and artefacts, and liaison with relevant groups on cultural heritage issues.

The grants to non-government organisations are paid according to conditions specified in funding agreements.

Funding to non government organisations will continue subject to satisfactory performance according to the terms of the funding agreements and the provision of funds by the government.

### Community Services: grants

(Question No. 269)

Hon. D. A. NARDELLA asked the Minister for Housing, for the Minister for Community Services:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. R. I. **KNOWLES** (Minister for Housing) - The answer supplied by the Minister for Community Services is:

The grants available under the community services programs are generally made available to service providers who are required to enter into funding and service agreements with the department. From time to time new providers are included in the funding arrangements. To be accepted it is necessary for the organisations to satisfy the department that they can meet the service quality and management requests of the programs. In some instances the department provides support grants under the child adolescent and family welfare program to cope with emergency and special needs. These grants are available to families and individuals in crisis and are generally based on direct approaches to regional officers and the department. There are established guidelines for the administration of this support. It is not considered appropriate that the recipients of these funds be publicly made available.

The following information is provided in respect of grants paid to non-government organisations or individuals in relation to community services for the 1993-94 financial year.

The Minister responsible for community services authorises grants of approximately \$315 million to in excess of 3,700 non-government organisations for provision of services.

The grants to non-government organisations are paid according to conditions specified in funding and service agreements.

Funding to non-government organisations will continue subject to satisfactory performance according to the terms of the funding and service agreements and the provision of funds by the government.

The general focus of the department is to link inputs with agreed outputs and to establish benchmark costs. In many programs the appropriateness of calling for applications is questionable as the number of service providers is limited.

The majority of services provided by way of contract to the department involve direct care. The standard of care provided is closely monitored by program managers. The level of competition is usually confined to established agencies, however the level of resources will vary from agency to agency depending on performance and the ability to expand and improve services. Regions will continue to re-allocate resources based on their views about the relative performance of agencies.

The Minister responsible for community services authorises grants for a wide variety of programs including:

Child adolescent and family welfare services.

Accommodation and support services for youth, supported accommodation assistance program, child and youth welfare support services.

Disability services.

Commonwealth-State disability program, program of aids and appliances for disabled and disability support services.

Primary care.

Community support and development, kindergartens, maternal and child health, family support and specialist children's services.

### Health: grants

(Question No. 270)

Hon. D. A. NARDELLA asked the Minister for Housing, for the Honourable the Minister for Health:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. R. I. KNOWLES (Minister for Housing) - The answer supplied by the Minister for Health is:

The Department of Health and Community Services provide in excess of \$2.3 billion to external agencies including public hospitals, research institutes, mental health centres, ambulance services and community health centres. These grants are managed through the application of service agreements with each agency. The department does not call for applications in respect to these grants.

The following information is provided in respect of grants to non-government organisations or individuals in relation to the Minister for Health for the 1993-94 financial year.

The Minister for Health authorises grants of approximately \$2.3 billion to in excess of 600 service providers.

The majority of funding is provided to public hospitals and is determined by the case-mix formula and paid according to conditions specified in funding and service agreements and health service agreements.

Case-mix funding was introduced to the Victorian public hospital system on 1 July 1993. The aim of case-mix funding is to provide fair payments to hospitals, to provide incentives to increase the number of patients treated and to decrease the number of persons on the waiting lists.

Under cas-mix, hospital incomes reflect the type and amount of work they perform - rewarding hospitals that treat more patients and perform more complex or lengthy procedures. Each quarter, hospitals that perform above their agreed target receive additional funds from the 'throughput pool'. Hospitals operating below their targets have their payments reduced in line with their activities.

In the first six months of 1993-94, Victoria's case-mix funded public hospitals treated over 355 000 patients, representing a 7 per cent increase on the same period last year.

A large proportion of all hospitals funded under case-mix have been rewarded for treating more patients - a total of 90 hospitals of all sizes, from the biggest (Monash Medical Centre, St. Vincent's) to the smaller (Bright, Penshurst) have received additional throughput pool payments in either the first or second quarters.

The total waiting list for all categories has fallen by 5 per cent from 1 July 1993 to January 1994.

Across the state, hospitals have exceeded their health service agreement target service levels for casemix weighted throughput by 4.4 per cent.

Funding to hospitals and non-government organisations will continue subject to satisfactory performance according to the terms of funding and service agreements and the provision of funds by the government.

The general focus of the department is to link inputs with agreed outputs and to establish benchmark costs. In many programs the appropriateness of calling for applications is questionable as the number of service providers is limited.

The majority of services provided by way of contract to the department involve direct care. The standard of care provided is closely monitored by program managers. The level of competition is usually confined to established agencies, however the level of resources will vary from agency to agency depending on performance and the ability to expand and improve services.

### Energy and Minerals: grants

(Question No. 278)

Hon. D. A. NARDELLA asked the Minister for Local Government, for the Minister for Energy and Minerals:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. R. M. HALLAM (Minister for Local Government) - The answer supplied by the Minister for Minerals and Energy is:

|     |                                                                                                                                               |                                                                                                                                                    |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | Energy Action Group<br>Community Energy Network<br>International Public Relations Pty Ltd<br>Home Energy Advisory Service                     | Community Group Funding Agreement<br>Community Group Funding Agreement<br>Seeding Grant<br>Agency contribution to the Home Energy Advisory Service |
| (b) | Energy Action Group<br>Community Energy Network<br>International Public Relations Pty Ltd<br>Home Energy Advisory Service                     | \$100 000<br>\$133 601<br>\$40 000<br>\$1549000                                                                                                    |
| (c) | Energy Action Group<br>Community Energy Network<br>International Public Relations Pty Ltd<br>Home Energy Advisory Service                     |                                                                                                                                                    |
| (d) | Energy Action Group•<br>Community Energy Network•<br>International Public Relations Pty Ltd<br>(paid 20.5.94)<br>Home Energy Advisory Service | \$78 261<br>\$9000<br>\$30000<br>\$1373248                                                                                                         |

- Application for grant was approved before 3 October 1992

- (e) Energy Action Group - met criteria under Energy Grants to community groups program  
 Community Energy Network - met criteria under Energy Grants to community groups program  
 International Public Relations Pty Ltd - the proposed newsletter is consistent with the Government's policy of encouraging exploration and mining in Victoria; relevant information will be continually provided to the community; and costs to the Department would have been substantially higher if the newsletter had been produced internally  
 Home Energy Advisory Service - part of the Victorian Social Justice Strategy developed by the Labor Government

### Finance: grants

(Question No. 281)

Hon. D. A. NARDELLA asked the Minister for Regional Development, for the Minister for Finance:

In relation to grants distributed by his department on or after 3 October 1992 -

- (a) What organisation or individual applied for the grants and what is the name of the grant that was applied for?
- (b) How much was sought by the applicants?
- (c) Who was successful in receiving the funding?
- (d) How much did each successful applicant receive?
- (e) What were the reasons why the applications for the grants were successful?

Hon. R. M. HALLAM (Minister for Regional Development) - The answer provided by the Minister for Finance is:

The following grants have been distributed by my department since 3 October 1992 -

- 1
  - (a) The Institution of Surveyors Australia
  - (b) \$120 000
  - (c) See (a) above
  - (d) \$25 000 per year for four years from 1990 to 1993
  - (e) To assist the institute organise and administer the International Federation of Surveyors Congress in Melbourne in 1994.
- 2
  - (a) Australian Computer Society
  - (b) \$8000
  - (c) See (a) above
  - (d) \$5000
  - (e) To assist in the promotion of government policy on information technology at a seminar held on 2 March 1994.
- 3
  - (a) Australian Accounting Research Foundation
  - (b) N A
  - (c) See (a) above
  - (d) \$65 000 (\$25 000 paid in June 1993 and \$40 000 in February 1994).
  - (e) Funding was provided to advance the cause of public sector accounting. Areas of particular significance in this regard included research into critical areas such as "Accounting for Contributions and Grants", "Accounting for Superannuation" and the recent release of Australian Accounting Standard AAS 29 "Financial Reporting by Government Departments, " which requires the use of accrual accounting by government departments.