

ADJOURNMENT

Tuesday, 4 June 1996

COUNCIL

247

Tuesday, 4 June 1996

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 2.33 p.m. and read the prayer.

ADJOURNMENT

Referrals to ministers

Hon. R. I. KNOWLES (Minister for Health) (*By leave*) - Last week during the adjournment debate the Leader of the Opposition raised a matter with the Minister for Small Business. He asked for it to be referred to the Attorney-General. The referral was a misunderstanding. I point out to the house that the government will follow what has been practised in the past - issues will be referred to the minister where appropriate and the Attorney-General will handle the issue in the manner she sees fit.

QUESTIONS WITHOUT NOTICE

Auditor-General: ministerial portfolios

Hon. T. C. THEOPHANOUS (Oika Jika) - I thank the manager of government business for his statement. I refer the Minister for Finance to page 335 of the Auditor-General's report on ministerial portfolios, which indicates that some government agencies did not report on consultancies in their annual reports as they are required to do under the Financial Management Act. Will the minister advise the house why his department was not able to enforce the directives of the minister in relation to proper reporting and what steps he will now take to ensure compliance?

Hon. R. M. HALLAM (Minister for Finance) - The question covers a number of very important and extensive issues. Because of its importance, I suggest the matter would be best placed on notice. I shall report back in detail on the issue the honourable member has raised.

Auditor-General: workers compensation

Hon. ROSEMARY VARTY (Silvan) - Will the Minister for Finance inform the house of the general conclusion drawn by the Auditor-General on the effect of the reform of the workers compensation system in this state?

Hon. R. M. HALLAM (Minister for Finance) - Given that the opposition has relied very heavily on the subject during question time over the past week, it will come as no surprise to honourable members that I have a copy of the Auditor-General's report with me. The Auditor-General has reported at some length on workers compensation, particularly the reforms initiated by the Kennett government. I refer honourable members to pages 325 to 331 of the Auditor-General's report which was tabled in this place last week.

I make the point by way of preamble that the Auditor-General says when the Kennett government came to power it inherited a system which had \$2 billion in unfunded liabilities and a funding ratio of only 48 per cent. He says the organisation was projecting a deficit of \$244 million for the 1992-93 financial year. The report refers to the objectives which the government made very clear indeed when it was in opposition and more particularly since assuming government. It makes the point that our objective was to establish a socially responsible and financially viable compensation system and that we understood this would require a shift in the culture of workers compensation - a movement away from a compensation culture to a return-to-work culture. This is the conclusion the Auditor-General draws:

When the government announced the reforms, it anticipated that the Workcover scheme would be fully funded within five years of its inception; i.e. it would have sufficient funds to fully cover all outstanding liabilities by December 1997. However, this milestone has been achieved by 30 June 1995, some two and a half years ahead of that.

The Auditor-General also reports, and I am very proud to put this on the record -

Hon. T. C. Theophanous - Why?

Hon. R. M. HALLAM - Mr President, I heard the interjection and I give in. The funding ratio at 30 June 1995 was reported at 102.9 per cent and 104.4 per cent at 31 December of the same year. The Auditor-General gives what he sees to be the key reasons for the change. He mentions the change in the entitlement criteria and the benefit structure, which resulted in a reduction in the number and duration of claims. He points to the introduction of premium incentives and he also places importance on the marketing and education aspects.

Hon. T. C. Theophanous - He says you got it down by slashing benefits.

QUESTIONS WITHOUT NOTICE

248

COUNCIL

Tuesday, 4 June 1996

Hon. R. M. HALLAM - Mr President, I take up the interjection.

The PRESIDENT - Order! The question was about the comments of the Auditor-General on the efficacy of the program. I suggest you keep to that issue and not be sidetracked.

Hon. R. M. HALLAM - Thank you, Mr President. One particular issue that I am delighted to have on the record relates to what the Auditor-General describes as the sound performance from the authority's investment portfolio. He makes the point that from 1 July 1992 to 30 June 1995 the authority earned a return -

Hon. T. C. Theophanous - What about the previous year?

Hon. R. M. HALLAM - I know this is very painful for you, Mr Theophanous. The authority earned a return of 9.1 per cent on its investment holdings, which averaged \$2.5 billion over the period. That, in itself, is a good outcome, but the Auditor-General makes this point in conclusion: that since the 1991-92 financial year, premium rates -

Hon. T. C. Theophanous interjected.

The PRESIDENT - Order! The constant prattle from my left is not helping the proceedings of the house.

Hon. M. M. Gould interjected.

The PRESIDENT - Order! I suggest the Deputy Leader of the Opposition should keep out of it. The Leader of the Opposition is listed to ask another question and if he wants to pursue the issue that he is pursuing by way of interjection, he should do so then, but not during the response of the minister.

Hon. R. M. HALLAM - The Auditor-General said in conclusion that since 1991-92 premium rates payable by Victorian employers have declined by 40 per cent, representing an annual saving of \$600 million to employers. Not even I have claimed that the reduction in premiums was \$600 million! I have been more conservative - I have said \$500 million. The Auditor-General is saying, 'No, you have it wrong, we think it is \$600 million worth of savings for Victorian employers'.

At long last we now have a workers compensation system that is fair and affordable. To that extent we have deleted at least one factor which was directly

contributing to the export of jobs from this state - something which even members opposite should be concerned about.

On behalf of the hard-pressed employers of the state, I extend my sincere congratulations to Mr Andrew Lindberg and all involved in the reversal of the Victorian workers compensation system. They have done a remarkable job, as has everyone at the authority. This is an excellent report and I am delighted that it is on the record.

Aged care: monitoring standards

Hon. M. M. GOULD (Doutta Galla) - My question to the Minister for Health is something I have raised previously. Given the federal government's intention to hand back responsibility for aged care to state governments, will the minister give an assurance to the house that the government will maintain the existing system of monitoring standards known as outcome standards for nursing homes and hostels, and if not will the minister inform the house what system he intends to put in place to protect nursing homes and hostels in Victoria?

Hon. R. I. KNOWLES (Minister for Health) - It is premature to say that the commonwealth government is handing over responsibility for aged care to the states. A more accurate reflection of the position is that the commonwealth has nominated aged care as an area where additional arrangements may be made. Part of those arrangements include ongoing commonwealth involvement, structuring aged care to ensure high standards are maintained, deciding who will set those standards, monitoring them, and ensuring they are complied with. These are all issues to be discussed.

I reaffirm that, from the Victorian government's perspective, we have always supported the establishment of high levels of care to ensure those who are frail or vulnerable have access to proper standards. I nominate as an example of the government's commitment what we have done in support of residential services, which is clearly a state responsibility.

The former Labor government established standards but never implemented them. This government has implemented the standards and as a result more than 40 supported residential services that were of poor standard have gone out of existence. Through that sort of process the government has

demonstrated it will continue to apply high standards in the aged care area.

Small business: awards for excellence

Hon. M. T. LUCKINS (Waverley) - Will the Minister for Small Business advise the house of measures the state government is undertaking to recognise excellence in small business?

Hon. LOUISE ASHER (Minister for Small Business) - I thank Mrs Luckins for her ongoing interest in this policy area. The government's strategy for small business is not only to continue the reduction in costs and regulations affecting small business but to create an entrepreneurial culture in which excellence is rewarded and successful small businesses are acclaimed. One aspect of this acclamation involves awards given to small business.

On 19 May I launched the Telstra Victorian government small business awards to recognise excellence among small businesses. It is the fifth year of these awards and involves prize money of approximately \$500 000 and recognition for small businesses that win these awards. Last year the winner indicated that winning the award was the best advertisement his business received.

The seven state categories that can be entered include: the Premier's award for the most outstanding technological development; the north-eastern region award; the south-western region award; the Gippsland award; the northern region award; and the western region award. Entries for the awards close on 30 August 1996 and winners will be announced in October 1996. I urge all honourable members to approach small businesses of excellence in their electorates and encourage them to apply for these awards and get involved in a culture that recognises and acclaims successful small businesses.

Industrial relations: state jurisdiction

Hon. D. T. WALPOLE (Melbourne) - Will the Minister for Industry, Science and Technology inform the house whether the Victorian government will cede its industrial relations powers to the federal government. Has any such submission been put to cabinet?

Hon. M. A. BIRRELL (Minister for Industry, Science and Technology) - The Premier has made clear publicly that the Victorian government is of the view to transfer its industrial relations jurisdiction to

the federal sphere at some time in the future. The government believes there is an opportunity to pursue a single industrial relations system for Australia and the Premier has certainly made clear that is something the government wants to pursue.

It is not dependent on changes to the federal industrial relations legislation, but obviously the focus is currently on that legislation and it is a legitimate focus.

The government has made clear on a number of occasions that no final decision has been made on all this, but that some action will be taken in the next business year.

Health: infectious disease services

Hon. C. A. FURLEITI (Templestowe) - Will the Minister for Health advise the house of the most recent initiatives to improve public health laboratory services in Victoria?

Hon. R. I. KNOWLES (Minister for Health) - Honourable members may be aware that the infectious diseases reference laboratory at Fairfield has played an important role in providing a public health service for exotic infectious diseases not just for Victorians but for Australians - acknowledged by the World Health Organisation for its part in removing the polio virus from existence. And it is about to play a part as a health authority in trying to eliminate measles as a virus.

The relocation of the infectious disease services and general disease services to the Royal Melbourne Hospital, the relocation of infectious disease services for HIV/AIDS patients to the Alfred Hospital and the relocation of the respiratory unit to the Austin hospital site have raised concerns about the future of the laboratory.

The government stated an intention not to look at the future auspicing of that body for another 12 months, but in response to questions by a significant number of bodies the government has asked for expressions of interest from the north-eastern network, the district network and the inner and eastern network for the possible relocation of the reference laboratory to maintain the staff profile that exists there and ensure that the valuable services it provides, not just public health services in this state but as a national and international service, continue to exist.

Director of Trade Measurement Victoria

Hon. T. C. THEOPHANOUS (Oika Jilca) - Will the Minister for Small Business confirm that the new Victorian Director of Trade Measurement Victoria, Mr Phillip Hatton, has been placed on a salary package of \$95 000 - compared to his New South Wales equivalent who is on \$60 000 - despite having no background in weights and measures, and whether all other applicants for the job were ruled out without interview, despite having had up to 17 years experience in the area?

Hon. LOUISE ASHER (Minister for Small Business) - I thank the Leader of the Opposition for his question. I am able to advise that the Director of Trade Measurement Victoria, Mr Phillip Hatton, was appointed to the position on merit, after interview with a panel. After consideration of all the other applicants for the job, a decision was made, based on merit, that Mr Hatton would be capable - and indeed he has been capable - of filling that job.

Monash Highway: Knox duplication

Hon. G. B. ASHMAN (Koonung) - Will the Minister for Roads and Ports provide the house with details of the improvements to Wellington Road, otherwise known as Monash Highway, and the benefits that will accrue to industry and commuters, particularly to the southern part of the City of Knox, as a result of that upgrade?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - I thank Mr Ashman for his question and I place on record his strong and vigorous representation on behalf of the businesses, industry and local residents in that area, along with Mr Atkinson and the honourable member for Wantima in another place. In their representations the local members sought and actually achieved the bringing forward of a program because it was recognised that the road network required upgrading to service the expanding areas of not only Rowville but also Endeavour Hills, and also significantly to service the industry in that area. Most honourable members will know that one of the big industries in that area is AFL Park at Waverley.

The recently announced Monash Highway duplication to four lanes between Jacksons Road and Stud Road means that a total length of 10 kilometres between the Princes Highway and Stud Road is now duplicated and part of an efficient road network. The duplication that has recently been

completed at the cost of \$7 million was for 3.3 kilometres.

The project could not and would not have been undertaken without a successful venture in this state - that is, the Better Roads program. That program not only paid for this project but also gave local members, industries and local government an opportunity of making representations and bringing that program forward by a couple of years.

The project provides a great deal of support for commuters in the some 30 000 vehicles that travel along that highway each day. It has been a real success story, not only with the duplication of the highway but a brand new bridge that has been built along the Dandenong Creek which also eases the traffic problem. It certainly makes the Monash Highway road network an integrated part of the developing areas around the highway.

In addition, we also planted some 4000 shrubs and trees along the highway to add to the environment and to recognise the significant environmental features along that highway. It is with great pleasure that I inform the house that this is just another success story of the Better Roads program.

Road safety: road rage

Hon. PAT POWER (Oika Jilca) - The Minister for Roads and Ports would be aware that there is increasing concern among the driving community about the phenomenon described as road-rage behaviour from a small minority of irresponsible drivers. Can the minister advise of any investigation he has put in place to establish the extent of this practice on Victorian roads and of any proposal he is considering to address this problem?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - Mr Power asked a question about road-rage behaviour. I am not aware of the issue, but I will certainly find out about it and get back to the member on this issue quickly.

Science and technology: government strategy

Hon. R. J. H. WELLS (Eumemmerring) - Will the Minister for Industry, Science and Technology inform the house of recent developments in the government's science and technology program?

Hon. M. A. BIRRELL (Minister for Industry, Science and Technology) - On Wednesday last

week I was pleased to publicly announce the Victorian government's \$16.3 million initiative for science and technology, which is aimed at ensuring that the best of Victoria's ideas and technology are turned into innovative products and services.

This major package of support is particularly directed at Victoria's Strategic Industry Research Foundation (SIRF), which is forging closer links between business and Victoria's research bodies. The government has committed \$16 million to SIRF over the next four years, providing long-term funding certainty for its world-class research in this state.

The money in this package will also give added impetus to SIRF's unique industry round-table program, which brings together groups of companies with mutual interests to share information and collaborate on research and innovation projects.

A further component of the funding package is \$200 000 in grants to eight Victorian-based cooperative research centres (CRCs). These CRCs will work closely with a number of small to middle-sized Victorian businesses on the commercialisation of specific product development projects.

All of those initiatives are part of our overall science and technology strategy of giving higher priority to the research that can be done in Victoria and funding it in the long term to give certainty to those involved, which will definitely deliver results in the medium and long term for this state.

PETITION

Drugs: decriminalisation

Hon. R. A. BEST (North Western) presented a petition from certain citizens of Victoria praying that use and possession of marijuana will not be decriminalised or legalised in Victoria.
(221 signatures)

Laid on table.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 2

Hon. P. A. KATSAMBANIS (Monash) presented *Alert Digest No. 2* of 1996, together with an appendix.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Advanced Dental Technicians Qualifications Board - Report, 1994-95.

Alexandra and District Ambulance Service - Report, 1994-95.

Anderson's Creek Cemetery Trust - Report, 1995.

Ballaarat General Cemeteries - Report, 1995.

Ballarat University - Report, 1995.

Bendigo Cemeteries Trust - Report, 1995.

Cheltenham Cemeteries Trust - Report, 1995.

Chiropodists Registration Board - Report, 1995.

Crown Land (Reserves) Act 1978 - Minister's order of 3 June 1996 giving approval to granting of lease.

Deakin University - Report, 1995.

Dental Technicians Licensing Committee - Report, 1994-95.

Fawkner Crematorium and Memorial Park - Report, 1995.

Geelong Cemeteries Trust - Report, 1995.

Keilor Cemetery Trust - Report, 1 October 1994 to 30 June 1995.

La Trobe University - Report, 1995.

Lilydale Memorial Park and Cemetery Trust - Report, 1995.

Melbourne University - Report, 1995.

Monash University - Report, 1995.

Murray Valley Wine Grape Industry Development Committee - Report, 16 June 1994 to 31 July 1995.

Necropolis Trust - Report, 1995.

Royal Melbourne Institute of Technology - Report, 1995.

Swinburne University of Technology - Report, 1995.

Templestowe Cemetery Trust - Report, 1995.

Victoria University of Technology - Report, 1995.

Victorian College of Agriculture and Horticulture Limited - Report, 1995 (four papers).

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

Port Services Act 1995 - Sections 136 (1), 144 (1), 144 (4), 144 (6) and 144 (10) - 1 July 1996 (Gazette No. 558, 28 May 1996).

Melbourne City Link Act 1995 - Section 30 - 1 June 1996 (Gazette No. 558, 28 May 1996).

APPROPRIATION (INTERIM 1996/97) BILL

Second reading

Hon. R. M. HALLAM (Minister for Finance) -! move:

That this bill be now read a second time.

The Kennett coalition government has tackled the state's economic and budgetary problems effectively and constructively, and will continue to do so. Victoria can expect to see sustained real economic growth of around 3 per cent per annum, consistent with the national outlook, over the forward estimates period. We have established a base from which we can begin to overcome the handicap of a relatively high tax structure. Delivering tax reductions depends on the government achieving sustainable surpluses by maintaining the momentum of reform.

Fiscal restraint was a prime focus of policy in the first term. Tilis was an inevitable consequence of the budgetary problems facing Victoria. However, this restraint was always part of a broader strategy to improve the competitiveness of Victoria and create the environment for stronger economic growth. The basic elements of the strategy are to:

refocus service delivery on the outcomes for which government is responsible, and increase the range of choice available to consumers of those services;

lower business costs by making government more efficient and private industry more competitive;

streamline business regulation to encourage investment and competition;

upgrade the economic and social infrastructure which supports growth; and

provide leadership and assistance where this can trigger initiative.

Restoration of fiscal balance was essential for reviving business confidence and enabling reductions in business costs, as well as a necessary precondition for securing our broader reform objectives. Now that the state's budget position has been restored to a sustainable position, other elements of the strategy will come into sharper focus in the second term.

From the current year, 1995-96, through to the end of the budget forward estimates period, the government is now projecting a modest surplus each year as the underlying overall budget outcome. Tilis underlying position will allow us to move some of the way towards reducing taxes to New South Wales levels, but further sustainable tax reductions will require additional savings through continued reform and greater efficiency in the delivery of government services. The government has already commenced action to obtain a further \$500 million to \$600 million savings through greater efficiency in administration and service delivery. Capturing these additional savings will not require the type of across-the-board measures introduced in 1992-93.

The government is in a position to deliver on its election promises, with more than \$100 million of new annual spending to meet demand in public services announced in the 1996 autumn economic statement. This total includes:

an extra \$14 million for teacher training in learning technologies;

\$10 million for administration and teacher support in schools;

\$6 million for the reading recovery program;

\$4 million for bilingual schools and teachers;

a \$25 million community carer package;

\$8 million for youth suicide prevention measures;

\$5 million for the hospital in the home program;

\$4 million in increased payments to foster care providers;

\$8 million for continuation of the agriculture and food initiative research and development program; and

continuation of \$4 million for the Strategic Industry Research Foundation.

To ensure we plan soundly for the future, the government has increased budget sector infrastructure investment to around 1.25 per cent of gross state product. In 1996-97 work will begin on more than \$1 billion worth of major new projects, with \$287 million being spent in the first year. These projects include:

new health and community services infrastructure costing \$156 million, including redevelopment of Geelong and Wodonga hospitals, metropolitan healthcare network projects, aged care works in Ballarat and Bendigo, improved disability and mental health facilities, and health care centres;

new schools and improvements to school and TAFE college facilities, including \$20 million for the Classrooms of the Future program;

transport infrastructure including the Flinders Street station upgrade, the Boronia rail crossing, and upgrading of country stations;

long-delayed major additions to Parliament House, at a total cost of \$80 million;

improvements to the National Gallery of Victoria funded through the Agenda 21 program; and

the construction of police station and court complexes at Ballarat and Sunshine.

The bill that I am now introducing provides for the expenditure requirements of departments from the consolidated fund for the first four months of the 1996-97 financial year. The appropriations contained in schedule 1 of the bill are in line with the departmental structure effected through the recent machinery of government changes.

The introduction of an interim appropriation bill for the first four months of the 1996-97 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. This practice puts resource management on a more businesslike footing and facilitates effective project planning. With this in mind, this bill provides the necessary appropriation cover for new capital works and recurrent policy outlined in the 1996 autumn economic statement, as well as the ongoing costs of government for the period July to October 1996.

For the information of honourable members details of new capital projects and recurrent policy to commence in 1996-97 are set out respectively in tables 1 and 2 of the explanatory memorandum to the bill.

In line with established appropriation arrangements, the amounts included in schedule 1 of the bill are provided at departmental level and follow net appropriation principles whereby certain receipts are credited to a department's appropriations. Details of these receipts are set out in table 3 of the explanatory memorandum.

Figures contained in the bill have been calculated against salary rates which applied as at 17 April 1996. The effects of any approved salary and wage increases that 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 from the contingency provisions contained in the bill.

The total amount sought is \$4808.7 million (\$4 808 685 000). This amount is made up of \$4295 million (\$4 294 971 000) for recurrent expenditure and \$513.7 million (\$513 714 000) for works and services expenditure.

This legislation will lapse when the Appropriation (1996/97 No. 1) Bill is passed by Parliament.

The Victorian community can be very proud of the success of its efforts over the past three and a half years. The challenge for the government in its second term is to maintain the momentum for change and growth while locking in the dividends from reforms already in place. We must build on the renewed confidence in Victoria with coordinated economic and fiscal strategies to lay the foundations of sustained economic development into the 21st century.

The 1995 autumn economic statement set out the Kennett government's four long-term fiscal policy objectives, with medium-term targets to be achieved by 1998-99. Those targets were:

to maintain budget sector investment at around 1.25 per cent of gross state product;

to achieve real reductions in per capita service delivery costs through improved productivity;

to use privatisation proceeds to reduce public sector debt; and

to achieve an operating surplus sufficient to cover depreciation of the budget sector capital stock, without increasing the state's overall tax effort.

The first three of those targets are already being achieved. The fourth will be achieved, on the policy settings in the 1996 autumn economic statement, by 1997-98.

The wider economic and fiscal goals of establishing competitive markets, expanding scope for consumer choice, transferring public activities to the private sector, and bringing Victoria's overall tax structure into closer alignment with the average of the Australian states will be achieved over the course of this second term. This 1996 autumn economic statement demonstrates that the government remains dedicated to achieving these goals.

I commend the bill to the house.

Debate adjourned on motion of
Hon. T. C. THEOPHANOUS Qika Jika).

Debate adjourned until later this day.

APPROPRIATION (PARLIAMENT) (INTERIM 1996/97) BILL

Second reading

Hon. R. M. HALLAM (Minister for Finance) - I move:

That this bill be now read a second time.

Honourable members will be aware that separate appropriation legislation is presented for the Parliament. This interim appropriation bill provides for the necessary appropriation to cover the ongoing operating costs of the Parliament for the period July to October 1996.

In line with the wishes of the President of the Legislative Council and the Speaker of the Legislative Assembly, the amounts included in schedule 1 of the bill are presented in a program format. The amounts are based on salary rates which applied as at 17 April 1996. The effects of any approved salary and wage 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 contingency provisions contained in the Appropriation (Interim 1996/97) bill.

The total amount sought is \$10.4 million (\$10 439 500). This amount is made up of \$9.8 million (\$9 839 500) for recurrent expenditure and \$0.6 million (\$600 000) for works and services expenditure.

This legislation will lapse when the Appropriation (Parliament 1996/97, No. 1) Bill is passed by Parliament.

I commend the bill to the house.

Debate adjourned on motion of
Hon. T. C. THEOPHANOUS Qika Jika).

Debate adjourned until next day.

BIOLOGICAL CONTROL (AMENDMENT) BILL

Second reading

Hon. G. R. CRAIGE (Minister for Roads and Ports) - I move:

That this bill be now read a second time.

This bill will ensure that the Victorian Biological Control Authority is able to make decisions collectively with the commonwealth and other states and territories in relation to the release of biological control agents which will have a proper basis in law.

The bill has two major purposes: the first is to correctly define the ministerial council which is used for the commonwealth, states and territories to reach agreement on the release of a biological control agent. The second purpose is to better define the Victorian Biological Control Authority.

I shall provide some background on the bill and deal briefly with its major purposes. The Biological Control Act 1986 forms part of a national framework of complementary commonwealth-state legislation which allows for assessing and approving, where appropriate, proposals for the biological control of any weed or pest species.

The essence of biological control is the release of a biological agent for the specific purpose of controlling a harmful target organism. The released agent, referred to as the 'agent organism', can take various forms: for example, it could be an insect, a rust or fungus. Examples of biological control include the control of the weed prickly pear by insects and the control of rabbits by myxomatosis.

A current example, which is soon to be considered by biological control authorities, is the rabbit calicivirus disease, which has the potential to significantly reduce wild rabbit populations, which in many areas cause great economic loss to primary producers.

The national framework of legislation for biological control was developed for the purpose of providing a mechanism for deciding whether any proposal for the biological control of a particular weed or pest would be in the public interest and whether or not the proposal should proceed.

Relevant ministers representing each state, territory and the commonwealth are designated biological control authorities for their respective jurisdictions, and decisions in relation to important matters such as the release of a biological control agent can be made only on the unanimous recommendation of the ministerial council, which was formerly known as the Australian Agricultural Council.

Significant changes to the name and composition of the former Australian Agricultural Council have occurred during the past four years. The

amendments proposed in this bill are required to ensure that the Victorian Biological Control Authority is clearly defined having regard to these changes. The former Australian Agricultural Council has been replaced by the currently titled Agriculture and Resource Management Council of Australia and New Zealand.

The reference to the ministerial council appearing in the act will be changed to mean the ministerial council of which the minister administering the act is a member, known as the Agriculture and Resource Management Council of Australia and New Zealand. The amendments to the act will also include provisions that will allow for the ministerial council to be changed without requiring further amendments being made to the act.

The Agriculture and Resource Management Council of Australia and New Zealand has Victorian ministerial representation in addition to agriculture and resources. This additional representation includes the Treasurer, who has responsibility for the Rural Adjustment Scheme, and the Minister for Conservation and Land Management. Because of this wider representation, the present definition of the Victorian Biological Control Authority is ambiguous and needs to be clarified. The amendments proposed clearly provide that the minister administering the act be the Victorian Biological Control Authority.

The bill will ensure that the Victorian Biological Control Authority can properly take part in its national decision-making role.

I commend the bill to the house.

Debate adjourned on motion of Hon. PAT POWER OikaJika).

Debate adjourned until next day.

LEGAL PROFESSION PRACTICE (DIRECT MORTGAGES) BILL

Second reading

Hon. LOUISE ASHER (Minister for Small Business) - I move:

That this bill be now read a second time.

The bill will repeal section 5 of the Legal Profession Practice (Amendment) Act 1995 (the amending act), which would have inserted section 40AA into the

DOMESTIC BUILDING CONTRACTS AND TRIBUNAL (AMENDMENT) BILL

256

COUNCIL.

Tuesday, 4 June 1996

principal act. Section 5 is due to come into operation on 1 July 1996.

Section 40AA provides that a solicitor must not receive any payment or repayment of principal under a direct mortgage entered into on or after the commencement of section 5 in any form other than a cheque drawn by the lender or the mortgagor or a bank cheque or bank draft payable to the order of the mortgagor. Further, it requires a solicitor who receives such a cheque or draft to pay it forthwith to the person to whose order it is payable or as such person directs. Contravention of the section is an offence carrying a maximum penalty of 20 penalty units (unless the contravention is with intent to defraud, in which case the maximum penalty is two years imprisonment).

Section 40AA arose out of the government's deliberations last year on how to deal with the financial crisis of the Solicitors Guarantee Fund. Before the amending act was passed by Parliament, Law Institute representatives expressed concern about the operation of the proposed section 40AA and agreed to put their objections in writing. To allow due consideration of these objections, the commencement of section 40AA was delayed until a day to be proclaimed, but no later than 1 July 1996. I note that no official written objections to section 40AA have been received from the institute. Nevertheless, well-reasoned objections to section 40AA as drafted have been received from several bankers and the property law section of the Law Institute, which does not purport to represent the views of the institute.

While the objections to section 40AA could be overcome by amendments, circumstances have changed since the amending act was passed. At that time, it was understood from information provided by the Law Institute that, while most defalcations arose out of contributory mortgage practices, direct mortgages not involving financial institutions were also not an insignificant source of defalcations. After the act was passed, however, officers of the Law Institute informed the government that they were not aware of any defalcations arising from a direct mortgage transaction in the past 12 years and that defalcations arising from direct mortgages are highly unlikely.

The government has also taken into account the fact that section 40AA would reduce the income of the Solicitors Guarantee Fund to a significant extent. At the time section 40AA was proposed, the Law Institute could not provide an estimate of the total

amount of money tied up in direct mortgages involving private lenders. It has since informed the government that the amount is somewhere between \$1 billion and \$2 billion. The effect of section 40AA would be to reduce significantly the annual flow of funds into solicitors' trust accounts and, therefore, the income of the Solicitors Guarantee Fund.

I commend the bill to the house.

Debate adjourned on motion of Hon. PAT POWER (Jilca Jilca).

Debate adjourned until next day.

DOMESTIC BUILDING CONTRACTS AND TRIBUNAL (AMENDMENT) BILL

Second reading

Hon. LOUISE ASHER (Minister for Small Business)-I move:

That this bill be now read a second time.

This machinery bill serves two main purposes: firstly, it amends an inappropriate proclamation of one section of the Domestic Building Contracts and Tribunal Act 1995 and ensures that no person is adversely affected by that proclamation; and secondly, it makes a number of procedural amendments to domestic-building-related legislation to improve the operation of the Domestic Building Contracts and Tribunal Act 1995.

The Domestic Building Contracts and Tribunal Act 1995 was proclaimed to come into effect on two dates. Parts 4, 5 and 8 were proclaimed to come into effect on 1 April 1996 with the remainder coming into effect on 1 May 1996. This dual proclamation was made in order that the preliminary matters could be finalised before the whole act came into operation - for example, the physical establishment of the tribunal, appointment of its chairperson and officers and so on.

One section of the act, section 158, should have been proclaimed from 1 May, but was inadvertently proclaimed from 1 April. The amendment in this bill rectifies this proclamation and ensures that no person or body who commenced building work - or undertook certain other activities in relation to the Housing Guarantee Fund Ltd - during this one-month period is disadvantaged in any way compared to those who commenced building work prior to 1 April 1996. Those persons who commence

ROAD SAFETY (WHEEL CLAMPING) BILL

Tuesday, 4 June 1996

COUNCIL.

257

building work after 1 May 1996 of course come under the provisions of the Domestic Building Contracts and Tribunal Act 1995 as was originally intended.

There are a number of additional minor amendments proposed in the bill, the combined effect of which is to facilitate the operation of the domestic building regime introduced by the Domestic Building Contracts and Tribunal Act 1995.

These amendments include, firstly, the revision of the definition of prescribed building practitioner and recognised person to include building inspectors registered under the Building Act 1993. The purpose of this amendment is to enable these inspectors to conduct inspections under the Domestic Building Contracts and Tribunal Act 1995 and also to enable such people to make reports in relation to owner-built houses which the owner builder proposes to sell within the applicable insurance period.

The second amendment will increase the membership of the Building Practitioners Board to enable domestic builder representation in recognition of the board's increased involvement with domestic builders following the passage of the Domestic Building Contracts and Tribunal Act 1995, for example, by its registration of such builders.

The third amendment will create a new regulation-making power to exempt a person or body from all or some of the provisions of the act. The amendment would provide greater flexibility in the operation of the act by, for example, exempting the builder from certain obligations where the government or professional body acting as the owner is in control of the contractual documentation and is not in need of certain protections afforded by the act.

Representations have been received by government to the effect that there may be some ambiguity in the ability of developers of large domestic high-rise properties to sell off the plan before they have entered into a construction contract with a registered builder. While the government has received legal advice that there is no such ambiguity, the government is anxious to put the matter beyond all possible doubt and is therefore proposing a minor amendment to section 137E of the Building Act 1993.

An amendment has been moved in the other place to which I wish to bring the attention of the house. The Domestic Building Contracts and Tribunal Act 1995

effectively restricts the Housing Guarantee Fund Ltd to paying claims under the House Contracts Guarantee Act 1987. It appears that for a variety of reasons, including complex building faults which come to light only after a number of years and the extended time it can take to finally resolve these faults, some claims under the industry association schemes which predated the House Contracts Guarantee Act 1987 still exist. The amendment ensures that the Housing Guarantee Fund Ltd can still deal with these claims.

I believe that this small series of minor technical amendments will significantly improve the efficiency of this major area of reform for this government. I am certain all Victorians, and particularly home owners and the building industry, will benefit from the dramatic improvements the Domestic Building Contracts and Tribunal Act 1995 is bringing to this sector.

I commend the bill to the house.

Debate on adjourned on motion of
Hon. PAT POWER (Jika Jika).

Debate adjourned until next day.

ROAD SAFETY (WHEEL CLAMPING) BILL

Second reading

Debate resumed from 31 May; motion of
Hon. G. R. CRAIGE (Minister for Roads and Ports).

Hon. PAT POWER (Jika Jika) - The opposition does not oppose the bill but will seek in the committee stage to move amendments affecting clause 5. The intentions of the bill are excellent and are the result of significant community concern about practices that were occurring around the issue of wheel clamping.

A purpose of the bill is to amend the Road Safety Act to provide for the prohibition, with few exceptions, of the detention or immobilisation of vehicles entering on private property. In effect, that prohibition will make illegal the practice commonly known as wheel clamping. A further purpose of the bill is to enable a municipal council to prosecute a breach of parking restrictions on private property where the owner or occupier has entered into a parking services agreement with the council.

In August 1995 the Community Development Committee of Parliament was given a reference to inquire into, consider and report on issues of relevance and concern to the practice of wheel clamping of vehicles found to be trespassing on private property. The committee was asked to consider whether legislation should be introduced to address community concerns about wheel clamping. As I indicated, the reference to the committee arose from growing community concern about the practices of business operators responsible for the wheel clamping and removal of vehicles found trespassing on private property.

At present the immobilisation and removal of vehicles found trespassing on private property is not regulated. It is not unusual, therefore, for landowners or occupiers to enter into agreements with private companies to patrol their land. As a result, a trespassing vehicle may be wheel clamped and/or towed from a site and the vehicle's owner is subsequently required to pay a sum of money ranging from \$180 to \$400 for the release or return of the vehicle.

The common-law practice of distress damage feasant currently permits an owner to impound or remove stray animals that are trespassing on his or her property, and that law may entitle private property owners to remove trespassing vehicles from their property but not necessarily to detain them. Distress damage feasant has been used as justification for charging fees to release trespassing vehicles from wheel clamps or to release a vehicle from the towing operator's depot after it has been towed from the property concerned. However, the bill abolishes the common-law remedy of distress damage feasant applying to trespass on land by motor vehicles.

The opposition welcomes the fact that the bill does not alter the ability of an owner or occupier of land to resort to self-help. The remedy of self-help will enable an owner or occupier to remove a trespassing vehicle but, importantly, to a place within a reasonable distance. The abolition of the common-law distress damage feasant in relation to vehicle trespass means a person using self-help as a solution would not be entitled to hold the trespassing vehicle until the cost of seizure, towing and storage was paid.

The opposition welcomes the provision that enables landowners to join with their local councils to assist them to control the parking of vehicles on their properties. The issue of associated infringement

notices and the possibility of authorised removal is sensibly contingent upon the council entering into an agreement with the owner or occupier. The landowner is also dependent upon the conditions that a local council may impose on such an arrangement, which may include a fee to be paid by the landowner for the services or the obligation of the landowner to erect a barrier at the entry to his or her property. The bill also provides the police with the power to issue infringement notices for land covered by such agreement between a council and landowner. Once the agreement is entered into the police may be relied upon as they are in a clear position to control such properties when councils are unable to respond.

The joint parliamentary Community Development Committee tabled its report in March into the practice of immobilising and removing trespassing vehicles on private property. In his second-reading speech the minister acknowledged, as I did today, the government's response to the report of the committee, which is encompassed in the bill. The committee recommends:

... that the practice of immobilising motor vehicles by means of wheel clamping be banned in Victoria.

The opposition recognises that the legislation is a clear response to the bipartisan recommendation contained in the committee's report. The third recommendation states:

The committee recommends the government pass legislation requiring councils to enact a new local law: 'Leave a vehicle while standing on private property without authority'.

The opposition welcomes the government's decision to involve local government as a strong partner and as a lead agency to solve this problem. Recommendation 4 states:

The committee recommends the Road Safety Act 1986 and the Road Safety (Traffic) Regulations 1988 be amended, to permit owners or occupiers of private and commercial property to apply to have their property placed under the control of the appropriate public authority, so that local law officers and Victoria police can deal with unauthorised parking.

The opposition welcomes the fact that the legislation has clearly picked up that recommendation. Recommendation 5 states:

The committee recommends that on receipt of a complaint from the owner or occupier of the property, local law officers be permitted to issue infringement penalties against vehicles, either on property included in the 'Schedule of specified private properties' or where properly posted signs on private or commercial property are ignored.

Again we express our appreciation of the government legislation picking up this recommendation. Further recommendations are:

- 6 The committee recommends that the Road Safety Act 1986 be amended to reflect a uniform 'Schedule of infringement penalties' for parking on private and commercial property without authorisation ...
10. The committee recommends that both the Road Safety Act 1986 and the Local Government Act 1989 be amended to provide for the use of uniform, standard parking signs for private and commercial property, and that this be the responsibility of the owners or occupiers.

Again, the bill reflects good government because the situation until now enabled those people who benefited from the practice of wheel clamping to say that signage was in place. However, because the signage was not uniform and not dear in the view of those who had parked on the properties that was often the basis for dispute. I refer to the next recommendation in the context of the amendments I foreshadow shall be moved by the opposition during the committee stage:

The committee strongly urges the Office of Local Government, the Municipal Association of Victoria and councils to be alert to the possible ramifications of private organisations issuing infringement notices as a result of the compulsory competitive tendering and contracting process.

We know that process more commonly as CCT. The next recommendation is very important because no legislation can work without an accompanying information and education program. It states:

12. The committee recommends a campaign of public education on issues about vehicular trespass on private and commercial property. It also encourages Vicroads, the Office of Local Government, the Department of Transport, the Royal Automobile Club of Victoria, councils and other relevant bodies to participate in this campaign.

That recommendation is important. I have no doubt that the minister will ensure that the information and education campaign is available widely.

I shall take a few moments to put on the record that the opposition shares the government's view that it is necessary to do something about wheel damping by going back a step further and recognising that it is necessary to do something to protect the access rights of people who own or occupy land that is frequently trespassed by vehicles. Page 16 of the report quotes a submission from a Mr M. Collins from a company called Uses Pty Ltd. He says:

Since 1993 we have had need to call in boom gate repair services to fix boom gates which have been forced up by persons determined to enter ... Even when we have placed heavy chains across [the] entrance these have been uprooted by trespassers ... We had parking mechanical in-ground gridlocks installed to stop trespass parking, iron pipe railings around the car park land, but this did not prevent drivers of cars from entering. They removed expensive "no Parking" (sic) grid locks out of the ground, or damaged the metal by force, even stole the iron rails from the car Parking (sic) lot, parked their cars and went off, physically defying us to move them.

I think we have probably all witnessed those sorts of interferences with private or public property - although nobody in this chamber would have participated in them, I am sure. On page 17 of the report, Mr Matthew Martin, who is described as the administration officer with Emergency Services Superannuation Scheme, is reported as saying:

As landowners we continually have trouble with unauthorised parking ... On many occasions we have had to bear the costs of numerous repairs to boom gates because of damage caused by people forcing boom gates to gain access and then illegally park their vehicles ... We are basically powerless to stop people leaving their vehicles parked all day without authorisation.

Also on page 17, the manager of Victoria Body Corporate Services Pty Ltd, Mr H. Klein, is reported as having said to the committee:

Despite the many warning signs that were installed in our car park, some drivers of unauthorised vehicles feel that they have the right to park anywhere despite the inconvenience caused to the legitimate owners of the car parking spaces ... If unauthorised vehicles park in an allocated car space, there is no mechanism available to remove those vehicles due to the private status of the car park.

I make those points to illustrate the two important issues on which the legislation is predicated. One is

the undeniable fact that people are having their legitimate car parking spaces trespassed upon, and the submissions to the committee clarified that beyond any doubt. Secondly, there was clearly a need for a response to the unhealthy and opportunistic practice of privateers practising wheel clamping and/or vehicle removal. We certainly welcome the legislation in that sense.

I also feel obliged to place on record the advice I received from the RACV. A media release dated 3 June states:

The RACV has welcomed the swift action of the government in acting on the review of the practice of immobilising and removing trespassing vehicles on private property with the introduction of the Road Safety (Wheel Clamping) Bill in Parliament today.

Under the proposed legislation police and councils can issue fines to drivers whose cars are illegally parked on private property that is covered by an agreement between a council and a landowner.

The manager of government and corporate relations, Mr David Cumming, is quoted as saying:

'The bill bans wheel clamping, a practice which the RACV and its members find unacceptable.'

He goes on to say:

'It also puts the onus on landowners to take steps against people parking on their property. A simple chain across the driveway would be enough to prevent the unnecessary confrontations that wheel clamping evokes'.

Finally, he says:

'The bill is a sensible response to the Community Development Committee's recommendations and the bipartisan approach of the house on this important issue is to be applauded.'

The core of this legislation is welcomed by the opposition. It is welcomed and supported by organisations such as the RACV. I have not the slightest doubt that the people who took the trouble to appear before the Community Development Committee or followed the issue in the media will be greatly relieved at the passage of this legislation and its subsequent proclamation.

I conclude by commending the minister and his department for their work on the bill. I remind the

house that during the committee stage we will move an amendment to seek to address more positively the question of parking infringement notices as described in clause 5.

Hon. G. 8. ASHMAN (Koonung) - I support the legislation and note the endorsement of the opposition of the legislation and the report of the all-party Community Development Committee into this subject. When considering the wheel-clamping issue, many of us have wondered why we needed to go to a full parliamentary committee inquiry. But having gone to that stage, I commend the minister's swift action in endorsing substantially the recommendations of the all-party committee.

Wheel clamping has been an issue of major concern to the motoring community for many years. The practice of wheel clamping has been dominated by a number of fringe operators, which is probably a generous description of their activities.

The operators have tended to practise their trade in the inner suburban areas where parking has been at a premium and in areas where they have consistently failed to adequately signpost the car parks. Situations arose where some people thought their cars had been stolen. Some found their cars in the process of being towed away and disputes broke out between the towing operators and vehicle owners.

The problems we have experienced are not unique to Melbourne. While in London some two years ago the police told me they were having similar difficulties. At that time they had commissioned, through the Home Office, a report on wheel clamping. At that time a number of English High Court decisions had been made which sought to clarify wheel clamping and the rights of the vehicle owners.

Those decisions sought to determine whether it was a theft or interference with the vehicle. They also had to determine the nature of the offence - that is, was the offence of towing away the vehicle a greater offence than that committed by the owner of the vehicle of illegally parking it? The issue was referred to the High Court of England and in separate actions made in the High Court of Scotland - as I discovered after speaking to people in Edinburgh.

Hon. Pat Power - Initiated by individuals?

Hon. G. B. ASHMAN - Yes. But in one instance I am aware of in Birmingham it was initiated by the

ROAD SAFETY (WHEEL CLAMPING) BILL

Tuesday, 4 June 1996

COUNCIL,

261

chief constable who was seeking to clarify the issue. The law relied on a ruling from 1853 where the precedent did not relate to motor vehicles, although in fact it was similar.

The legislation provides a clear prohibition for wheel clamping and what is proposed is a system that will enable the owners of private property to protect their properties from the trespass of motorists who are not welcome on their sites.

It is commonsense for local government and police to handle the administration and policing of this issue. Mr Power alluded to an amendment he proposes to move during the committee stage dealing with the opposition's concern that difficulties may be experienced if the enforcement in respect of car parks is put out to compulsory competitive tendering by local government. That issue can and will be overcome and should not prevent the legislation from passing through this house.

The legislation, as has been noted, has the full support of the opposition. I note the comments of the honourable member for Footscray in another place on 14 May when he said on Channel 7 that the clearest and cleanest solution is to ban wheel clamping outright. On 14 March he is reported as stating on radio station 3AW that 'We don't want wheel clamping; the police don't want it; so the obvious answer is to ban it'. Other comments from opposition members confirm that they totally support the bill.

Options are available for private owners of properties to come to arrangements with local government for the policing of car parking spaces and, indeed, in many instances that arrangement is already in place. In a number of private shopping centre car parks in regional centres local government enforces car parking restrictions. I am aware of arrangements at Eastland and Knox City and am certain that similar arrangements exist throughout metropolitan Melbourne. The average motorist will accept that local government has the authority to enforce this issue.

The removal of wheel clamping from this community will be applauded. The operators have generally been fringe operators, and most of us have heard of experiences where people have been subjected to wheel clamping and the associated thuggery that goes hand in hand with the operators. Its history is not covered in glory, and I welcome and endorse legislation that will make the practice of

wheel clamping illegal. The bill provides a positive response to the report of the Community Development Committee and deserves the support of all members.

Hon. D. A. NARDELLA (Melbourne North) - I endorse the legislation and the process that has brought it to fruition. The reference to the Community Development Committee gave the community as well as stakeholders and others affected by wheel clamping the opportunity to express their views.

I commend the government because it acted quickly in response to the call for change that arose late last year. We all remember television news showing cars being impounded by wheel dampers and people losing the right to use their vehicles—that right was taken from them by wheel clamping companies. The legality of the process was challenged in the courts - a civilised society cannot tolerate such action.

Honourable members will be aware that the Premier referred the matter to the Community Development Committee and imposed a time limit on its investigation, and the resultant report puts forward a consensus view.

The legislation balances the rights and responsibilities of all parties involved and includes a sunset clause to allow a review of the legislation in two years. That will ensure that we get the balance right. I applaud the government for acting so quickly because the loss of private property and the loss of access to private property creates a real difficulty. The legislation will clarify those issues because, in some cases, a vehicle can be removed from private property when it is illegally parked.

From my understanding of the proposed legislation an owner of a property can recoup the costs associated with moving a vehicle out of the way. The government should review how that works over the next couple of years.

With those comments, I applaud the government for introducing the legislation. I applaud also the process, which was very good and is the sort of process that should be used in preparing other legislation that deals with other community issues. With that I indicate that the opposition will support the bill.

Hon. R.H. BOWDEN (South Eastern) - I speak briefly in support of the Road Safety (Wheel

Clamping) Bill, which amends the Road Safety Act 1986. I extend congratulations to the Minister for Roads and Ports and the Community Development Committee for presenting to this house a bill that reflects an attempt to balance the competing interests of property owners and vehicle owners - a very difficult task. As honourable members know, prior to August last year, when this issue was of real concern and was referred to the Community Development Committee, many members of the community were expressing outrage and asking members of Parliament to do something about a potentially dangerous situation because of the increasing incident of conflict in the community. It was suggested that violence was likely to be the result of some confrontations.

The bill responsibly addresses the problem by providing in proposed section 90C of clause 4 that the practice of wheel clamping will be illegal. The bill also reflects the fact that the balance between the interests of the owners and occupiers of property and the owners and users of vehicles has been taken into account.

The civil law and the criminal law in Victoria have been ambiguous about the rights of property owners and vehicle owners. Until the preparation of the bill, there were regular reports of outrageous fees being charged by people who had removed vehicles without the authorisation of the vehicle owners and sometimes without the detailed knowledge of the property owners or occupiers of the property from which they have been removed. Sums ranging from \$180 to \$400 have been reportedly demanded of vehicle owners before they could recover their vehicles. Given the lack of clarity in the civil and criminal law, people removing vehicles were open to accusations of theft or interference under section 7 of the Road Safety Act, so it is pleasing to see the constructive proposals in the bill that have been brought forward for us to approve.

Wheel clamping will be banned. It will be possible for property owners and occupiers to enter into a written arrangement with their council so the council will have the right to issue infringement notices in an orderly and documented manner to the owners of the vehicles that are causing the difficulty. The agreement will be easily understood and will have specific and clear requirements of the parties to the agreement: the council and the property owners or occupiers. Such things as signage, notices and other sensible arrangements will be well and truly known by everyone.

It is important to note also that it will no longer be possible for towing operators to remove vehicles without proper authorisation, that police officers will be able to enter properties and put infringement notices on vehicles, and they will also be able to authorise the towing away of a vehicle, if that is necessary. Another aspect of the bill is that it does not remove the right of a property owner or occupier to exercise the self-help provision, with reason. The property owner or occupier will be able to move a vehicle a reasonable distance away from where it is parked so that a blockage of access to a property can be overcome.

The power to serve infringement notices is a responsible way to go about addressing the problem. The removal of the ability to continue what have sometimes been questionable practices against members of the community is a good thing. The requirement that councils issue identity cards and require reasonable and responsible approaches by their authorised representatives is in the community interest.

The whole matter has been treated with a high level of consideration. It is with much pleasure that I support the measure and congratulate the members of the Community Development Committee and the Minister for Roads and Ports for tackling a difficult situation and providing a practical solution.

I also applaud the idea that the matter be reviewed in two years, because it might be that some specific needs will become apparent, and they can be considered at that time. The bill is an excellent measure. It is with great pleasure that I support it and commend it to other honourable members.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. G. R. CRAIG (Minister for Roads and Ports) - I place on record my thanks for the contributions by members from both sides of the house and for their recognition that the practice of wheel damping as a way of forcing people to pay

ROAD SAFETY (WHEEL CLAMPING) BILL

Tuesday, 4 June 1996

COUNCIL

263

extraordinary amounts of money to recover vehicles from impoundment should be a prohibited.

I also place on record my thanks to the many government agencies whose members worked over one week to put the legislation together, as the report of the Community Development Committee was handed down only recently and the legislation has been prepared in a short time. I refer to the people in my department - the Department of Infrastructure, which includes Vicroads and the former Department of Transport - the Department of Justice, the Victoria Police Force, the Office of Local Government, and the Department of Premier and Cabinet.

Without the professional and cooperative work of those government agencies honourable members would not have been able to debate the bill today. Therefore, I place on record my thanks to those agencies.

I also place on record my thanks for the cooperation of and significant input received from the Municipal Association of Victoria and the councils of the cities of Melbourne, Port Phillip, Yarra, Moreland, Boroondara and Stonnington in the preparation of the bill. I also thank the Royal Automobile Club of Victoria for its input on and support of the bill.

I also mention at this stage that the government will not accept the opposition's proposed amendments to the bill. The reasons will be more fully explained by my parliamentary colleague Mr Atkinson when the committee debates the individual clauses to which the amendments relate. However, the government believes compulsory competitive tendering is an important tool for driving efficiencies and for achieving better outcomes.

Clause agreed to; clause 3 agreed to.

Clause 4

Hon. PAT POWER Uika Jika) - Given the importance of this issue, I take this opportunity of seeking clarification from the minister on some of the definitions. The definition of 'driver' at page 3 of the bill states:

"driver", in relation to a motor vehicle that has been parked or left standing, means the person who was driving the motor vehicle when it was parked or left standing;

This is just a technical issue and certainly does not contest our support for the intent; however, will the minister indicate what would occur in the case of a vehicle that had been stolen and then parked in such away?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - The registration details of the vehicle would be obtained and checked at a Vicroads registry. It would then be verified with the rightful owner that the vehicle had been found in that location. Obviously, we could identify that the vehicle had been stolen. Therefore, the ruling would be entirely different because the registered owner would not have had any control over the vehicle; the owner could not be prosecuted if he or she had not been driving the vehicle at the time. It would be very difficult to identify who the driver was if the vehicle had been stolen. It would therefore be inappropriate to try to identify the driver.

Hon. R. I. Knowles - So Mr Power's fears will not be realised.

Hon. G. R. CRAIGE - That's right.

Hon. M. M. GOULD (Doutta Galla) - The definition of 'driver' makes reference to a motor vehicle. Does that include a motorbike?

Hon. R. I. Knowles - Yes.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - The answer to Miss Gould's question is yes.

Hon. T. C. Theophanous - You hope Knowles is right.

Hon. R. I. Knowles - I have taken advice too.

Hon. PAT POWER Uika Jika) - I have another question for the minister and his ministerial adviser. The definition of 'owner' is:

"owner", in relation to a motor vehicle, has the same meaning as in Part 7;

Will the minister elaborate on part 7 in respect of that definition?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - I thank my adviser on this issue. For practical purposes, this clearly means the registered owner of that vehicle.

ROAD SAFETY (WHEEL CLAMPING) BILL

264

COUNCIL

Tuesday, 4 June 1996

Hon. PAT POWER Uika Jika) - The bill defines 'public parking area' as:

- (a) an area provided on land for the parking of motor vehicles by members of the public on payment of a charge; or
- (b) any area that is prescribed to be a public parking area, or is included in a class of areas that is prescribed to be public parking areas, for the purposes of this part.

Could municipal land surrounding, for example, football ovals be caught under that definition?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - Yes, if regulations particularly specified that was the case. However, the current situation is that those areas are specified and include such areas as universities, hospitals, and off-street parking which is considered to be public parking and which is clearly signed as that. It does not relate to those areas. The regulations would need to indicate clearly what would be the case.

Hon. PAT POWER Uika Jika) - I instance a hypothetical situation using an area the ter would know - that is, the shopping centre in Plenty Road, Bundoora, and the football ground opposite. People are increasing their habit of parking at the football ground while doing their shopping or parking there all day while they catch the tram elsewhere. Currently there is no signage there.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - It seems to me that in that instance the shopping centre is clearly identified as being one of those areas, and there would be no markings or signage on the football ground side. I understand what Mr Power is saying, but there is no intention in the bill to encroach on those other areas.

Hon. PAT POWER Uika Jika) - At page 4 of the bill, proposed section 90C states in regard to the detention or immobilisation of motor vehicles that a person, not being:

- (c) a person authorised to do so by or on behalf of the owner or driver of the motor vehicle - must not detain or immobilise ... a motor vehicle ...

Will the minister explain to the committee what is intended by that proposed subsection?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - I thank my adviser on this issue. Proposed section 90C clearly says:

(1) A person, not being -

(c) a person authorised to do so by or on behalf of the owner or driver of the motor vehicle -

That means that if a person is authorised by the owner - -

Hon. R. I. Knowles - To tow it away.

Hon. G. R. CRAIGE - To tow it away, then in fact that can occur.

Hon. R. I. Knowles - There is no offence.

Hon. G. R. CRAIGE - It is not an offence to do it.

Hon. PAT POWER Uika Jika) - Proposed section 90C(3) states:

Nothing in this section affects the exercise of any power over a motor vehicle that a person may have as the holder of a security interest ... in the motor vehicle or under a possessory lien or pledge over the motor vehicle.

For clarification, I ask whether that is simply to ensure that nothing in this legislation would prevent existing due processes of law being carried out.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - The answer to the honourable Pat Power is yes.

Hon. Pat Power - Vis-a-vis repossession?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - That is right, absolutely.

Hon. T. C. THEOPHANOUS Uika Jika) - Further on proposed section 90C and the question of authorisation, can the minister explain what form the authorisation could take and whether, in certain circumstances where a note was produced that was purported to be from the owner, that could lead to the vehicle being towed away; and whether it would be an offence if the person who arranged the towing away did it on the basis of authorisation that did not come from the owner - that is, the authorisation was in a written form but it was not actually the owner who authorised it?

Hon. R. I. Knowles - So, it was a forged document?

Hon. T. C. THEOPHANOUS - Yes, a forged document; who would be liable in those

circumstances? Would it *be* the person who did the forging, or would it *be* the person who towed it away?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - I know what I will answer -

Hon. T. C. Theophanous - Well, why don't you answer one question yourself? You're the minister -

The CHAIRMAN - Order!

Hon. T. C. Theophanous - That's every single question!

Hon. R. I. Knowles - It is the person who committed the original fraud.

Hon. G. R. CRAIGE - In respect to the question asked by the Leader of the Opposition, who knows nothing about this legislation at all, and who actually walked into the chamber 2 minutes ago -

Hon. T. C. Theophanous - Obviously more than you!

Hon. G. R. CRAIGE - In respect of this issue agreements are required to *be* reached and put into writing, and if a forged document is used to exercise authorisation, the person who actually commits the forgery is the person who will necessarily face the criminal law, as he or she normally would.

Hon. PAT POWER (Jika Jika) - Proposed section 90D on page 5 deals with agreements. I draw the minister's attention to proposed section 90D(2), which states:

- (2) The agreement must provide for -
 - (a) compliance by the owner or occupier with specified requirements in relation to -
 - (i) restricting access to the land by motor vehicles;
 - (ii) signs to be placed, or markings to be made, on the land;
 - (iii) the siting, installation and maintenance of signs and markings;

I should like advice on paragraphs (ii) and (iii). Could the minister advise whether in this proposed section or in another section there is any requirement or recommendation on the size, the style and the placing of signs?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - In response to the honourable member's question, it is very important in this legislation that signing *be* both uniform and significant. As we all know, one of the issues that has been raised during this debate has been the inadequacy of the signs because of their size, their location and, sometimes, their temporary nature.

On page 6 proposed section 900(4) states that the agreement must specify the requirements for the signs and the siting of those signs. There will *be* strict restrictions on the signs and their siting to ensure that signs are, firstly, uniform and, secondly, located in a significant place so that people clearly know that they are parking in a place that has certain restrictions placed upon it. And it is important that the signing, which is detailed in clause 4 of the legislation, is adhered to.

Hon. PAT POWER (Jika Jika) - I thank the minister. I think his intention is sound. Those comments are welcomed. I further ask whether we will have a situation where this act or subsequent regulation will establish the size, the style and the format or signs, or whether we may face a situation where municipality by municipality signs might look different?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - Under proposed section 90D(S) the minister responsible may, by notice in the *Government Gazette*, require compliance with standards for signs in council controlled areas. It is our intention to set a standard for the signs - for their size and what is on them - which all councils will have to abide by to ensure uniformity, and that will be printed in the *Government Gazette*.

Hon. PAT POWER (Jika Jika) - Proposed section 90D(S) says that the minister 'may' do that. Is it intended just to provide permission? Does it suggest that it may not *be* done?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - Yes, it does mean 'may', but we will monitor the whole issue and it is our role to ensure that that is abided by.

Hon. T. C. THEOPHANOUS (Jika Jika) - On that same point, is it the minister's intention to actually issue standards? You have said you will monitor, which is a different approach. I presume you will be monitoring some of the standards that you may set. The proposed subsection gives you the power to issue standards for signs in council

controlled areas. It is reasonable for councils to have knowledge in advance of the sorts of standards that you have in mind. Will those standards be made available at some time to the house?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - The purpose of this subsection is to ensure that the spirit of the legislation is adhered to, and the government will initially monitor that. But if councils are not abiding by that, this subsection gives us the ability to act.

Hon. T. C. THEOPHANOUS Oika Jika) - As I understood it before, you said you would have strict rules for the size of signs, and so on. Just so we can get this right, I say: there are no standards at the moment. None has been developed, and you are asking for power to develop standards for signage in the future, if you so desire?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - To clarify the position for the Leader of the Opposition, a set of requirements which have to be met are laid down in the legislation. If the Leader of the Opposition were to look back several pages in the bill instead of looking only at the page to which he has been referring he would see the bill contains a set of requirements that authorities are required to meet.

Hon. T. C. Theophanous - Such as?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - It is already there and if the Leader of the Opposition had read it he would know.

Hon. T. C. THEOPHANOUS Oika Jika) - There are no requirements in earlier pages of the bill concerning standards of signage, which was the subject of the direct question I asked the minister. If the minister can point out where in an earlier part of the bill there are standards or requirements concerning the size and/or visibility of signs and so on, I will be happy to cease this line of questioning. I have not been able to find anything in that regard. There are broad requirements to abide by the legislation but my question -

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS - What about paragraphs (a) and (b) of subsection (4) of proposed section 90D?

Hon. Bill Forwood - You haven't read them.

Hon. T. C. THEOPHANOUS - I have read them. It is a simple bill and the minister ought to be able to answer questions on a bill that is only 14 pages long. Mr Forwood ought to be quiet because he was not good enough to get his spot.

Hon. B. N. Atkinson - Nor were you.

Hon. T. C. THEOPHANOUS - That is not true - I have been a minister.

The CHAIRMAN - Order! It would be helpful to the committee if honourable members concentrated on the task at hand and did not exchange comments across the chamber. I ask all honourable members to concentrate on the issues being debated and refrain from interjecting.

Hon. T. C. THEOPHANOUS - My question was a simple one. I understand there are requirements clearly set out in the legislation, such as proposed section 90D(S), under which the minister is given power to issue standards in relation to signs. Does the minister intend to issue such standards? In an earlier comment he made the point that there would be strict controls. The minister appears to be saying, on the one hand, that there will be strict controls and, on the other hand, that there are no such standards in place at the moment and that he does not intend to issue such standards in the future.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - You can have strict controls without being prescriptive. Proposed sections 900(3) and 900(4) are dear in their intent and lay out a format concerning what councils are required to do. Councils have been a part of the negotiations leading to the introduction of the bill. If the requirement for appropriate signage is not being adhered to, the bill gives the minister power to oversee the issue. The intention of the bill in respect to signs is dear from subsections (3) and (4) of proposed section 90D.

Hon. T. C. THEOPHANOUS Oika Jika) - I direct the attention of the minister to subsection (2) of proposed section 90D, which deals with agreements. It is of some concern to me that although subsection (2) is fairly prescriptive in that it sets out what ought to be in agreements, subsection (3) seems to be very open-ended and basically says the agreement can contain a whole range of qualifiers that do not appear to be specified in the proposed section. For example, subsection (3)(a) of proposed section 90D states that the agreement may contain:

ROAD SAFETY (WHEEL CLAMPING) BILL

Tuesday, 4 June 1996

COUNCIL

267

a provision leaving any matter to be determined, approved or dispensed with by a specified person or body.

I do not know what a specified person or body is. Perhaps the minister can explain to us what he has in mind when the bill refers to a specified person. Will he explain whether it can be just somebody's mate or someone else who can become a person specified in the agreement as being the person who can determine, approve or dispense with a provision of the agreement and whether that would have some kind of effect? Will the minister give the committee an assurance that the intention is not that it can be any person agreed to between a person and the proprietor of a particular parking area but that the provision is meant to refer to a governmental or similar body?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - For example, if an organisation such as the Standards Association of Australia wanted to raise an issue of a standard, that matter could not be inconsistent with the rest of the legislation.

Hon. T. C. THEOPHANOUS Gika Jika) - To follow up on that answer, subsection (3)(b) seems very open-ended to me. I ask the minister to indicate to the house what is meant by:

a provision providing for the suspension of obligations under the agreement in specified circumstances.

Will the minister also give us an example of the kind of specified circumstance he considers might appear in an agreement?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - Subsection (3)(b) covers a situation where some exemption may be granted under certain circumstances - for example, as to signage or standards set by the standards association.

Hon. PAT POWER Oika Jika) - I take this opportunity to record my appreciation of the assistance provided by the minister's staff and departmental representatives in the briefing provided to the opposition. I direct the minister to subsection (4)(c) of proposed section 90D, which is found at page 6 of the bill and which states that a provision of an agreement under the section that specifies requirements in relation to signs or their siting must:

... require the installation of a sign indicating the place to which a vehicle towed ...

And it goes on. Will the minister comment on the spirit of subsection (4)(c) which, as I understand it, is meant to indicate that the place to which a vehicle might be towed ought not to be geographically too far away from where the vehicle was towed from?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - One of the things the government is trying to overcome through this legislation is the problem of people finding their cars missing and having to spend a considerable amount of time looking for them.

Under the legislation the vehicle will be towed to a place as near as practicable and the details of where the vehicle is located will be clearly identified. Access to the vehicle will also be available.

Hon. Pat Power - Do you envisage the vehicle being towed to the yard of the towing service or to a police station?

Hon. G. R. CRAIGE - Mr Power will be aware that the police have what they call a contracted towing service. Those services are located throughout suburban Melbourne and, because of that, they can be easily accessed by people whose vehicles have been towed away.

Hon. PAT POWER Oika Jika) - Proposed section 90F states:

- (5) A vehicle that has been towed under this section must be taken to, and stored at, the place specified in the authority to tow and released to its owner or the owner's agent on payment by that person of a release fee.

Will the minister comment on what --

Hon. G. R. Craige - The release fee is?

Hon. PAT POWER - Yes, and whether he believes the legislation will set the release fee or whether there is an intention to regulate the release fee?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - Of course a regulation can be made, but the government foresees the fee as covering the cost of towing and the normal charges associated with the towing of vehicles. It is not envisaged, as is the current situation, that an owner be charged exorbitant fees after his or her vehicle has been wheel damped. The fee is merely to recoup the charge of removing the vehicle and storing it.

ROAD SAFETY (WHEEL CLAMPING) BILL

268

COUNCIL

Tuesday, 4 June 1996

Hon. PAT POWER Gika Jilca) - I thank the minister for his response and ask whether the release fee will be one of the major issues that is addressed in the review of the matter in two years?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - I give Mr Power that assurance.

Hon. T. C. THEOPHANOUS Gika Jilca) - I direct to the attention of the minister proposed section 90E, which provides for parking in a council-controlled area. I read that with interest but I do not understand why the bill contains that power because local government already has that power. I should have thought the power is already in place for an area to be council controlled. Why is it necessary to reinforce that power in that bill?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - The proposed section relates specifically to an agreement the council has with the landowner about an area, which becomes a controlled-council area. The agreement is made between the landowner and the council for the area to become a council-controlled area.

Hon. T. C. THEOPHANOUS Oika Jilca) On the same issue, how is it intended to deal with areas that are controlled by the state and federal governments? How would a person who has parked illegally at the back of Parliament House or at the back of my office, which is a government area, be dealt with? What action would ensue? Would it be covered by proposed section 90C or is there some intention to cover that situation in another way?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - All existing parking arrangements will remain; we have no control over those. No doubt Mr Theophanous has, like many other members, parked his car at the airport, which is under the control of the federal government. We do not control federal government land. Existing parking arrangements stand.

Hon. T. C. THEOPHANOUS Oika Jilca) - To clarify the point, does this mean that if a car is illegally parked at the back of my office or at the back of Parliament House I or the Presiding Officers could have it towed away?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - I shall explain this for Mr Theophanous. There may be an agreement about parking at the back of Parliament House, but I do not know. I know there are parking restrictions at the front of

Parliament House because members of Parliament are issued with stickers allowing them to park there and people who park there illegally receive parking infringement notices for doing so.

Hon. T. C. Theophanous - Can they be towed away?

Hon. G. R. CRAIGE - The current arrangements stand. The bill does not alter existing parking arrangements.

Hon. T. C. THEOPHANOUS Gika Jilca) - To clarify the matter once again, because I and other members are interested, would it be necessary for individual members of Parliament to seek agreements with their local councils in relation to parking?

Hon. R. I. Knowles - It is not your land.

Hon. T. C. THEOPHANOUS - Parliament leases the land. Some of us actually go to our offices from time to time and I have difficulties, as I am sure other members do, with people parking at the back of my office. I have had to cajole people not to use those parking facilities, but so far as I know there is no legal impediment to their parking there. I ask the minister whether it is possible for me to enter into a legal arrangement with the council so that I can arrange for vehicles that have been parked illegally at the back of my electorate office to be towed away.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - This bill is the Road Safety (Wheel Clamping) Bill and it is specific about the issue of wheel clamping, the prevention thereof and the owners of private land entering into agreements about illegal parking. The arrangements that apply to parking under the existing Road Safety Act will still apply. The legislation will not alter anything.

Hon. T. C. Theophanous - That is not true. It will extend the power to tow away.

Hon. G. R. CRAIGE - It will not alter any of the arrangements under the Road Safety Act.

Hon. T. C. THEOPHANOUS Gika Jilca) - I asked the minister a specific question about a particular problem that has occurred at the back of my office and the offices of other members. As I understand the bill, it will change the basis on which vehicles can be towed away; it does not deal only with wheel clamping as such. If the minister were familiar with the bill, he would know that is the

case. The bill will establish a set of procedures which, once put in place, will permit towing to be undertaken legally.

I know the minister has to get advice from his adviser, the Minister for Health. Nevertheless, the fact is that the bill will change the basis upon which vehicles can be towed away from residential property or property owned by a business or, in this case, Parliament. If that is the position, the question is very simple: are we able to enter into an agreement with the local council to allow us, in certain extreme circumstances, to have a vehicle towed away if it is in the way? It is a very simple question and the answer is not to say that the bill deals with wheel clamping and nothing else, because that is not what it does.

Hon. B. N. ATKINSON (Koonung) - Mr Chairman, the bill will not alter the current position - that is, an unauthorised vehicle which is trespassing on private property can be towed away or removed from that property. To that extent the bill does not change the position at all. It provides a basis upon which a private landowner can enter into an arrangement with local government under a set of procedures which are outlined in the legislation. Under the procedures, authorisation can be gained to remove vehicles. Previously some doubt existed as to whether vehicles could be removed from private property or were in fact trespassing on the property because of the nature of the public accessibility to the property.

Hon. T. C. THEOPHANOUS (Oika Jika) - If the power already exists under other legislation for owners of private property to have vehicles towed away from their property, there would be no reason to introduce legislation that provides a process for reaching agreement with local councils for that to occur. The fact is that the bill will extend that power. It is not an unreasonable question. The position in relation to towing vehicles away from private property is not clear cut. I refer to an incident that occurred recently when a soccer club organised a large gathering. People parked their cars all over the place and blocked off the driveways of houses. In one particular residence two bridal cars were parked in and the bride could not get out to go to the wedding because cars were parked across the driveway. The owner of the house arranged for a whole lot of people to move the cars that were blocking the driveway. The cars were physically lifted and moved out of the way and one of the cars was slightly damaged in the process. The matter

went to court and the people who moved the cars were fined.

Hon. R. I. Knowles - Of course, because they took the law into their own hands.

Hon. T. C. THEOPHANOUS - It is not as clear cut as might be imagined. The legislation seeks to allow people to enter into agreements with local councils where there are recurring problems. I note that Mr Ashman is nodding his head in agreement. When those circumstances arise, the landowners will be able to arrange for the vehicles to be towed away and they will not suffer any consequences as a result of that. I simply asked a question in relation to the electorate offices of members. It is not a difficult question; it is something the minister ought to be able to answer with yes or no - either we or the Parliament can or cannot enter into agreements with local councils.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - Let me answer the question.

Hon. T. C. Theophanous - Had you sought advice in the first place and answered in the way you just answered, we would not have had the debate we have had for the past 10 minutes.

Hon. G. R. CRAIGE - I do not want to enter into a slanging match with the Leader of the Opposition. He asked, first of all, 'Can he?' and then he asked, 'Can Parliament?'.

Hon. T. C. Theophanous - You tell us.

Hon. G. R. CRAIGE - I am going to tell you, if you shut up and listen. If members have a problem - maybe we need to print instructions for some members! - they should go to Parliament and lay down clearly what their difficulties are. As Parliament is the lessee of the property it can raise the issue and reach agreement with the local government authority so that in future instances vehicles can be towed away.

Clause agreed to.

Clause 5

The CHAIRMAN - Order! Mr Power will move amendment no. 1. I understand the other amendments are consequential.

Hon. PAT POWER (Oika Jika) - Yes. I move:

1. Clause 5, lines 8 to 18, omit all words and expressions on these lines.

In moving the amendment I make it absolutely clear that the opposition does not oppose the intention of the bill. In my view the amendment is an attempt to circumvent its intention. I am sure the government would not be surprised that the opposition moved the amendment as a consequence of the government's increasing the scope of compulsory competitive tendering (CCT), a policy the opposition opposes. I remind the chamber that although the opposition has no difficulty with competition or competitive tendering, it believes it is not in the interests of good management to have that other Council. It seems unfortunate - and perhaps cynics might say opportunistic - that when the government was introducing good legislation to address issues surrounding unauthorised parking, clause 5(2) was slipped in.

The opposition was advised at its briefing that the Road Safety Act does not allow those involved in the prosecution of infringement notices to have the work market tested, which is really compulsory competitive tendering. Clause 5(2) provides that work arising from the proclamation of this legislation and all work being done currently and proposed to be done in the future, involving the provision of parking infringement notices, will be subject to compulsory competitive tendering.

Amendment 1 is proposed in the spirit of the Labor Party's opposition to compulsory competitive tendering. I emphasise that it is not proposed as an attempt to challenge the legislation, because the opposition welcomes the bill, but it is a formal reaffirmation of our opposition to compulsory competitive tendering. Amendments 2 to 14 rest on the committee's adoption of amendment 1.

Hon. B. N. ATKINSON (Koonung) - - Mr Power is telling the committee that he has to move the amendment even though he does not really want to. It is a case of trying to establish the philosophical position rather than indicating any valid reason why compulsory competitive tendering ought to be excluded from the legislation.

I was involved in the Community Development Committee inquiry into wheel clamping. I commend the government for the legislation and I pay tribute to the work of Ms Kokocinski, a former member of the house and assistant chairman of that committee.

In the deliberations of the committee members of the opposition expressed concern about the provision in

the report that left the opportunity open for compulsory competitive tendering to be used by local government in providing parking services. That issue is being tested by Mr Power, but he has not given the committee any substantial reason why compulsory competitive tendering should not apply. He has just put a philosophical point that it is not such a great thing.

The community and local government are aware that the government believes compulsory competitive tendering delivers real advantages to Victoria, not just in cost savings, but in establishing the quality and standards of service available across a range of services provided by local government.

The government believes compulsory competitive tendering is an important part of local government reform and it should continue as an initiative of local government to develop better services for Victorians. I can see no reason why this service area of local government should be excluded from using compulsory competitive tendering. Indeed, other statutory responsibilities of local government are already subject to compulsory competitive tendering and have been satisfactorily accomplished by reputable people providing quality services. For example, food analysis, building surveying, engineering and other technical work are being sourced out by local government. The service local government might provide in the context of this legislation is in the same category.

I allay the fears members opposite may have about wheel clampers applying for future contracting services that local government may have. There is no reason why individuals or companies involved in wheel clamping, and the behaviour they have demonstrated in the past, would necessarily apply in the future or ought to apply in the future. In fact, proposed section 87(1C)(b) specifies that people must be of good repute, having regard to character, honesty and integrity in carrying out the services.

The checks and balances are in place and the opposition has put no reason for compulsory competitive tendering not applying in this area.

Hon. PAT POWER (Qika Jika) - Mr Atkinson canvassed the merits of compulsory competitive tendering in local government. I had not intended to visit that territory. As I said earlier, amendment 1 is consistent with the opposition's policy position, but given that Mr Atkinson raised the issue and claimed compulsory competitive tendering is delivering efficiencies to local government, I place on the

record that the opposition does not share that view. There is no evidence in those municipalities where democracy has returned following a period of unelected, highly paid, unaccountable commissioner appointments that compulsory competitive tendering is providing any benefits to those who work in local government or those who use local government services.

I understand other legislation will seek to give the minister authority to cap rates which, by its very action, indicate that the government has no faith that compulsory competitive tendering has worked. The government intends to prevent municipalities from increasing their rates this year or the next.

Hon. N. B. Lucas - On a point of order, Mr Chairman, Mr Power is moving away from wheel clamping. The issues of increasing and capping rates have nothing to do with the proceedings before the committee.

Hon. PAT POWER - On the point of order, Mr Chairman, I acknowledge that the point of order has been raised by a former employee of the government who passionately supports compulsory competitive tendering. The reason I sought to visit the issue was as a consequence of the apposite remarks of Mr Atkinson that did not draw the point of order now made and I argue there is no point of order because I was responding in good spirit to comments made by Mr Atkinson.

The CHAIRMAN - Order! There is no point of order because Mr Power's comments relate in some way to the clause, but Mr Lucas, in raising the point of order, will probably have the desired effect of pulling the committee back to the bill.

Hon. PAT POWER - Mr Chairman, *Hansard* will show that my comments and those of Mr Atkinson clearly indicate the views of the opposition and the government on this matter.

Hon. M. M. GOULD (Doutta Galla) - In relation to the proposed deletion of proposed section 87(1A) of clause 5 and to who can be subcontracted, I am concerned about the response of the Minister for Roads and Ports to an earlier question. Who can get access to information on who owns a motor vehicle? Is it proposed that the people to be authorised can write to the Roads Corporation, or whoever, and find out who is the owner of the vehicle? I am concerned about breaches of privacy.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - They will not have access. They will have to go through the normal source, which is the police force. We are not allowing them access to the records.

Hon. M. M. GOULD (Doutta Galla) - In issuing an infringement notice, which they will have the power to do, if part of that infringement notice is a requirement to have the vehicle towed from somebody's premises, will they have to call the police to get correct ownership of the vehicle and arrange for the towing or removal of the vehicle?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - Yes. The proposal is that the authority to tow rests dearly with the police, so they are the final arbiter. You can't allow just anybody to authorise the towing away of a vehicle.

Hon. M. M. Gould - Even the council?

Hon. G. R. CRAIGE - Yes. We did that because of the problems that could arise if just anybody was allowed to do it. So we will give the police force the authority and it will be the final arbiter.

Hon. T. C. THEOPHANOUS (Gika Jika) - I add my concerns about clause 5 and support the amendment moved by Mr Power. The truth is that tendering out by local councils has had a mixed benefit. It hasn't always worked. On occasions the costs have increased; however, on other occasions it has resulted in a fiscally superior outcome.

The opposition has always maintained that such a decision ought to be left to councils. Part of the reason why it hasn't worked in many circumstances is precisely the compulsory aspect of compulsory competitive tendering (CCT). If it were left to local councils to make any decision, it would be much more likely that it would be done in circumstances where a benefit to council would ensue. By making it compulsory, councils are often forced to put things out to tender and the result is not always the optimum outcome.

In the proposed circumstance, the situation is made even worse by the fact that we are talking about parking inspectors. Whether you like it or not, parking inspectors perform a sort of policing function. If we were to follow the view that you could contract out the work of parking inspectors, the next step from that is to ask: why not contract out policing services? And we would have the police work out on CCT. We might be able to get a few

ROAD SAFETY (WHEEL CLAMPING) BILL

272

COUNCIL

Tuesday, 4 June 1996

people on contract from outside who might be able to do a better job than those who are employed by the police force.

Hon. B. C. Boardman - Possible.

Hon. T. C. THEOPHANOUS - Mr Boardman says it is possible. He would know because he has been a member of the police force. He obviously thinks that members of the police force are no good.

Hon. B. C. Boardman interjected.

The CHAIRMAN - Order! I think we had better get back to the clause.

Hon. T. C. THEOPHANOUS - He obviously thinks we might get better police officers if their work were put out to CCT, by his interjection with the word 'possible'. My point is very simple. This is a police-type function.

Hon. Bill Forwood - No, it is a parking ticket.

Hon. T. C. THEOPHANOUS - For Mr Forwood's information, the police do issue parking tickets as well.

Hon. Bill Forwood - What, at the back of your electorate office?

Hon. T. C. THEOPHANOUS - Fortunately not at the back of my electorate office, but they certainly have that power.

The work of parking officers is certainly a type of policing function and because of its nature it is totally inappropriate for the function to be put out to compulsory competitive tendering.

It is important to put on the record the stupidity of this government. The government is not only at the point of saying that you can contract out such a service but it is actually putting it under the ambit of CCT! It is a totally inappropriate action. It is ideologically driven. It has nothing to do with efficiency; it has everything to do with a mania in the government to put everything, including policing functions, out to contract.

Committee divided on omission (members in favour vote no):

Ayes, 32

Asher, Ms
Ashman, Mr (Teller)

Furletti, Mr
Hallam, Mr

Atkinson, Mr (Teller)
Baxter, Mr
Best, Mr
Birrell, Mr
Bishop, Mr
Boardman, Mr
Bowden, Mr
Brideson, Mr
Cover, Mr
Craig, Mr
Davis, Mr D. McL.
Davis, Mr P. R.
de Fegely, Mr
Forwood, Mr

Hartigan, Mr
Katsambanis, Mr
Knowles, Mr
Lucas, Mr
Luckins, Mrs
Powell, Mrs
Ross, Dr
Smith, Mr
Smith, Ms
Stoney, Mr
Strong, Mr
Varty, Mrs
Wells, Dr
Wilding, Mrs

Noes, 10

Eren, Mr (Teller)
Gould, Miss (Teller)
Hogg, Mrs
McLean, Mrs
Nardella, Mr

Nguyen, Mr
Power, Mr
Pullen, Mr
Theophanous, Mr
Walpole, Mr

Amendment negatived.

Clause agreed to.

Clause 6

Hon. PAT POWER Oika Jika) - Clause 6(2) refers to a penalty of \$100. Will the minister inform the committee whether consideration was given to including in the bill a requirement to address hardship to allow people to pay a penalty or court fine by instalment?

Hon. M.A. Birrell-What's the precedent for that?

Hon. Pat Power - Good government.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - The report of the Community Development Committee considered whether the penalty could be paid by instalment. However, it was decided some difficulties could be faced in recovering the remainder of the amount if a person got his or her vehicle back after making only a part payment. Therefore, it was decided the cleanest way was to require a one-off payment to be made up front.

Clause agreed to; clause 7 agreed to.

Reported to house without amendment.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - I move:

That the report be now adopted.

I thank honourable members for their contributions, with a few exceptions.

Motion agreed to.

Remaining stages

Passed remaining stages.

VICTORIAN MANAGED INSURANCE
AUTHORITY BILL

Introduction and first reading

Received from Assembly.

Read first time for Hon. R. M. HALLAM (Minister for Finance) on motion of Hon. M. A. Birrell.

GOVERNOR'S SPEECH

Address-in-reply

Debate resumed from 28 May; motion of Hon. B. C. BOARDMAN (Chelsea) for adoption of address-in-reply.

Hon. BILL FORWOOD (Templestowe) - It is my pleasure to speak on the address-in-reply to the speech of the Governor. At the outset I place on record how pleased I am that the President has been re-elected. He did an excellent job during the life of the last Parliament and I am sure he will continue in the same vein. I also congratulate you, Mr Deputy President, on becoming Chairman of Committees. I am sure you will fulfil your duties in that august office with due aplomb, probably in the manner of a half-back flanker in the Carlton football side!

I also record appreciation for the fine work done by cabinet in the life of the last Parliament and congratulate, in particular, Ms Asher and Mr Craig on their appointment to ministerial positions.

I am happy to point out that I am sitting behind them watching their backs and will do all that I can to ensure that they continue to do the fine work that they have done up to date as part of, without doubt, the most successful government Australia has seen in a very long time.

Let me also commend all new members to this house, particularly on their first, inaugural and maiden speeches, all of which I thought were significant contributions. It was particularly pleasing to see so many women, fine women, elected to the Parliament, and also particularly heartening to see that so many members of both chambers come from backgrounds where English is not their first language - I think the new expression is 'languages other than English-speaking backgrounds'. I extend those words to all members of this chamber, from both the opposition side and our own, and in particular to Mrs Powell, who comes from England, and Mr Furletti and Mr Katsambanis - there are a number of people from different backgrounds.

Let me also take the opportunity to add a few words about the role the Governor and Mrs McGarvie play in our state. Over the past few years I have got to know them a little as they have gone about their official duties, I have enjoyed their hospitality on a number of occasions, and I have seen them at various functions. I put on the record my appreciation of the terrific job they do, both in the metropolitan area and also in country Victoria, where they visit on a regular basis.

I fully endorse the themes of the Governor's speech. In particular, I want to comment briefly on the direction behind it and on the vision that it provides to Victoria - not just a short-term vision, but a long-term vision.

The Governor's statement picks up the threads of the first term of the Kennett government and sets the pattern for the second, third and fourth terms of this government as Australia and Victoria move into the 21st century and beyond.

I am reminded of the words the Premier has so often spoken, when he has said that the decisions that we take today will affect Victoria and Australia well into the next century. I know that my youngest lad, who turns 21 this year, will benefit from the decisions of the government well into the future.

It is appropriate to contrast the extraordinarily positive nature and the vision of this government with the speech delivered to us in the address-in-reply by the Leader of the Opposition. My colleagues Mr Hartigan and Ms Asher both dealt with some aspects of Mr Theophanous's speech, so I do not need to cover the ground that they so comprehensively did. But I want to point out some of the inadequacies of the leader's speech. Yes, I

think at the outset it was boring; but it was also a negative and a whingeing speech. It was - -

Honourable members interjecting.

Hon. BILL FORWOOD - It was the speech of a man who has failed. We know so many ways that he has failed, but the way he has failed more than ever was for the preselection for the seat of Batman - and we all know how he felt about that.

One of the things that became really apparent after that was that he was extraordinarily bitter.

In the News Extra of the *Age* of Saturday, 2 September 1995 is a profile piece on the Leader of the Opposition. In a little box headed, 'Who said Jeff had mellowed?' it states:

The Premier, Mr Kennett, offered sympathy to Theo Theophanous. Then came his parting barb: 'The thing is, you're a loser'. Now Theophanous is determined to roll Kennett.

Honourable members interjecting.

Hon. BILL FORWOOD - Let me run that one past you again! The following comment was reported in the same article and was made as a passing comment at a radio station:

'I promised myself to ensure that I could do everything I could to ensure a Labor win at the next election -

That is the election we just had.

Honourable members interjecting.

Hon. BILL FORWOOD - The article also reads:

'Theo is damaged goods', says the insider-

one of his mates -

'You don't want people to be reminded of the events surrounding Batman every time he speaks.

Let me point out to Mr Theophanous that if he gives a speech like he did for the address-in-reply, where he had a go at some fine, outstanding former Liberal members of Parliament, and where he had a go at our preselection processes and procedures, then he can be expected to be reminded of Batman - every time!

Let me labour this point briefly: who won the election? We did! The front page of the *Sunday Age* the day after the election is headed, 'Kennett's coup!' and the subheading states 'Poll disaster for Labor as voters gave Libs massive vote of confidence'.

In my contribution to the address-in-reply I contrast the positive statements of the government about the direction that we are taking this state with the mealy-mouthed, boring, whingeing little attempt that we heard from the Leader of the Opposition. What a sad little effort that was! Your speech was a loser's speech. You came in here and went straight back to the form of the old days. You might be bitter about not being the member for Batman and going to Canberra.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD - But you headed straight back in here and into the gutter! During Mrs Hogg's contribution and during Mr Power's contribution to the address-in-reply we had thoughtful and insightful - somewhat different to my view, I admit - attitudes towards the future in Victoria and some understanding of what the situation was and what we were trying to do here. I commend both Mr Power and Mrs Hogg on their speeches. Contrast that with the effort of the Leader of the Opposition! Let us just go into a little detail about what your speech was about, Mr Theophanous.

At question time on 28 May a specific question was asked on the preselection processes of our party. That question, asked by the Leader of the Opposition of the Leader of the Government, was dealt with comprehensively; it was put to bed once and for all.

Hon. T. C. Theophanous - Which question?

Hon. BILL FORWOOD - The question was asked and dealt with, and that should have been the end of it. But no!

Hon. T. C. Theophanous - Wait for round two!

Hon. BILL FORWOOD - The basis of the question asked by the Leader of the Opposition that day was a press report that indicated something he thought had happened. Despite the fact - -

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD - Let me make the point that the matter of the anonymous letter was not raised during question time; that of course came later. The question was answered and put to bed once and for all. Despite that, Mr Theophanous went straight into the gutter with a vitriolic attack during his address-in-reply speech immediately after question time. He had a go not only at the Leader of the Government but also former members, including my colleague Mr Heffernan from the seat of Ivanhoe, Mr Hayward, Mr Cox and Mr Evans - a l l long-term members of Parliament and significant contributors to good government in Victoria - -

Honourable members interjecting.

The DEPUTY PRESIDENT - Order! The level of interjection across the chamber is making it impossible for Hansard to do its job efficiently and properly. I ask members on both sides of the house to desist from making constant interjections. I have been tolerant on this point, but I will not be as tolerant in the future.

Hon. BILL FORWOOD - Thank you for your protection, Mr Deputy President. Let me make four points about the speech of the Leader of the Opposition. The first is that it was a circular argument. There was a press report. Where did the press report come from? It was a figment of the imagination of members of the Labor Party. They get a press report and send it off to the Electoral Commissioner. Then they need some backup, so they get the old anonymous letter. Now one would have thought that, given the events in the federal - -

Hon. T. C. Theophanous - On a point of order, Mr Deputy President, I think when Mr Forwood said the opposition got the anonymous letter he was implying that the opposition in some way manufactured that letter. I made it clear in my contribution in the debate last week that the letter was sent to the opposition rooms, to the Leader of the Opposition in another place, Mr Brumby.

Hon. B. N. Atkinson - From Mr Willis!

Hon. T. C. Theophanous - We do not know where it came from. It is inappropriate for Mr Forwood to accuse me or imply that in any way I had anything to do with that letter, other than, it having been received, bringing it to the attention of the house.

The DEPUTY PRESIDENT - Order! There is no point of order. The instance the Leader of the Opposition has raised is a matter for perhaps one of his colleagues to take up during the debate.

Hon. BILL FORWOOD - I t shows how sensitive they can get, doesn't it? The point I was going to make was that anonymous letters are a two-edged sword and I would have thought that what poor Mr Willis, the former federal Treasurer, went through during the federal election campaign because of an anonymous letter when, to use the example used in this house last week by the Leader of the Government, that letter, like mud, came back and hit him in the face, also applies in this situation. That should have been a warning for Mr Theophanous. The anonymous letter and concocted press release were sent off to the Electoral Commissioner. The Leader of the Opposition then said we were to have an inquiry. In fact, the letter the Electoral Commissioner wrote back to the shadow Attorney-General in another place - the letter the Leader of the Opposition used during the debate - w a s nothing other than a standard acknowledgment letter that all honourable members would have written time and again. All it said was:

I acknowledge receipt of your letter of 15 April forwarding a copy of an anonymous letter and drawing attention to a *Herald Sun* article ...

The matters you raise are receiving consideration.

I will write to you again.

The Leader of the Opposition has turned that into an inquiry on an important matter. What nonsense! All he got was the standard reply.

I will read two sentences from the news release issued on this matter by Dr Lyons, the Electoral Commissioner, which goes into some detail about the spurious allegations received from Mr Hulls. Dr Lyons had been asked to investigate an anonymous letter and an article published in the *Herald Sun*, and he states:

Having considered the advice provided, it is my view that neither of the alleged matters constitutes an offence or offences under The Constitution Act Amendment Act 1958, or under any other law ...

In the circumstances, I consider that the matters alleged do not fall within section 241(1)(c), or any other law. As I consider that no useful purpose would be served by

asking the police to investigate the allegations, I have not done so.

I intend to take no further action regarding these matters.

So they made it all up! It is a circular argument - we go around and around. We start something going and then keep the ball rolling. The response is: it is dead and buried, there is no case to answer. It is a farphy, it is nonsense! That is the first point.

The second point I wish to make is about my friend Mr Cox, a long-term member of the Victorian Parliament, first as the honourable member for Mitcham in another place and subsequently as an honourable member for Nunawading Province for many years.

Hon. T. C. Theophanous - He took the bribe! That's what happened, he took the bribe.

Hon. BILL FORWOOD - Withdraw!

Hon. Louise Asher - On a point of order, Mr Deputy President, the allegation is that Mr Cox took a bribe, and that allegation has been called out of order on previous occasions. I request that the Leader of the Opposition withdraw the remark.

Hon. T. C. Theophanous - On the point of order, Mr Deputy President, the rules of this place are quite clear: if an allegation of that kind is made against a member who is in the house, it must be withdrawn. My comment was in relation to a person who is not in this house and is no longer a member of this house, and who, therefore, does not have the same protection as a member who is in this house. Consequently, there can be no point of order.

Hon. Louise Asher - Further on the point of order, Mr Deputy President, the Leader of the Opposition has on other occasions made allegations in this chamber as to who he considers to have offered this particular method of exit from Parliament to Mr Cox, and in the context of those debates on some of those occasions he has been asked to withdraw the term 'bribe'. In the context of those previous rulings and in the context of this debate I request that you to ask him to withdraw his allegation.

Hon. T. C. Theophanous - The Minister for Small Business has changed her point of order and is now raising a point of order in relation to who may or may not have bribed Mr Cox. The words I used in

the interjection were, 'He took a bribe'. The question of where that may have come from is open. The Electoral Commissioner indicated in his letter that even if an offer were made it may not constitute an offence. So the commissioner was looking at whether an offer was made. I consider that if an offer was made, which has not been established by the commissioner, it would constitute a bribe. I am not saying anything on this occasion, and the interjection did not imply anything, about where that bribe may have come from.

The DEPUTY PRESIDENT - Order! I have heard enough. I think the Leader of the Opposition hit the nail on the head in his last comment. The matter at issue in the point of order is whether an inference could be drawn that a member of Parliament or the government made such a bribe, and we probably all have different opinions on whether such an inference could be drawn. The issue is that we are sailing pretty close to the wind on what is orderly and disorderly in this place. Although I cannot rule categorically that an inference could be drawn from the comments of the Leader of the Opposition that a bribe was made by a member of Parliament or the government, we are sailing pretty close to the wind. It is a lesson to us all that we need to be careful about what we say in the house. I do not uphold the point of order but it is a warning and caution - -

Hon. T. C. Theophanous interjected.

The DEPUTY PRESIDENT - Order! I am serious about this! I warn the Leader of the Opposition that I do not make that ruling lightly.

Hon. T. C. Theophanous - It is an excellent ruling.

The DEPUTY PRESIDENT - Order! I hope all honourable members take notice of the ruling and are careful about what they say in future. Mr Forwood will resume his contribution.

Hon. BILL FORWOOD - It is absolutely outrageous! I pointed out the slimy gutter tactics of the Leader of the Opposition during the address-in-reply debate and today the issue is compounded. The Leader of the Opposition's comment about Mr Cox was absolutely out of order. It was appalling that he could say it. What sort of a man is the Leader of the Opposition that he can denigrate someone who served the state as well as Mr Cox did? Mr Cox's contribution to this state will be remembered long after that of the Leader of the

Opposition - long, long after! Mr Cox is a man of honour and integrity and the Leader of the Opposition - w o r d s fail me!

Let me make this point about Mr Cox: the one thing the Leader of the Opposition got right in his contribution in the debate on the motion for agreement with the address-in-reply to the Governor's speech was that Mr Cox wanted to be a member of Parliament. Mr Cox did want to be member of Parliament - and was a member and a contributor for a long time. Yet the Leader of the Opposition came up with a half-baked allegation that the man who wanted to be a member of Parliament decided to accept a \$10 000 job on the Melbourne Parks and Waterways board instead. No person in their right mind would accept that proposition. It is nonsense! You made the whole thing up!

Hon. D. A. Nardella - He was not good enough!

Hon. BILL FORWOOD - I point out to Mr Nardella that Ms Smith won the preselection fair and square! There were 60 or 70 people there. Mr Cox had been in Parliament a long time. Mr Cox can count; he knew that things were not looking good and he made the choice that he would withdraw rather than lose. I commend him for that. To suggest that he was offered an inducement to trade his job as a member of Parliament for a position on a board is a nonsense and should be ruled out of order.

My third point is about Liberal Party preselections. Honourable members need only look around this chamber or the other house to see that the Liberal Party preselection system is fair, based on merit and democratic. In every case those who won preselection went through the process. I shall qualify that: there are some members of this chamber who were in a more fortunate position and who did not have to go through the preselection process. They were hand picked, and they are excellent, too. However, the majority of Liberal and National party members won their places completely on merit through the usual preselection system.

I make one other point in relation to the Liberal Party. One thing the Liberal Party cannot do is to fix a preselection. Some of us have been involved in the party for a long time and we have seen people come and go. One thing we are not good at is getting the numbers right in the preselection process. I tell you here and now: not Mr Birrell, not Mr Kennett, not Mr Kroger, not Mr Baillieu, not Mr Georgiou and

not even me can fix the process. The problem with members of the Labor Party is that because they muck up their system they think everybody does it!

Labor Party members probably do not know a lot about Liberal Party preselection. Under our system 60 per cent of the delegates are branch members and 40 per cent are policy delegates, so it is not possible to fix a preselection. We have no idea what the outcome will be.

I turn now to my fourth point. We have had Evans, Cox, Hayward and Heffernan whose appointments after leaving Parliament were made on merit. Some will argue strongly that former members of Parliament have a life after Parliament. Their contribution should be encouraged. Recently, I sat next to John and Nancye Cain and we had a similar conversation about the use of former ministers and premiers. There is a very good argument those people have skills that can be used.

It is hypocritical in the extreme for Mr Theophanous to talk about mates and jobs for the boys! Those of us who have been around for a while know the Labor Party turned patronage into an art form. Members of the opposition do not have to accept my word; they should look at a few of their own people who came into the Cain government in 1982 and did not make it through to the first landslide coalition victory in 1992 and who were not around to be thumped again in 1996. What about David Gray, the Labor Party member for Syndal from 1982 to 1985 - by any definition a oncer? He became a level 3 legal officer with the Attorney-General's department in 1985. He left Parliament and went straight into the government service. David Hassett was the member for Dromana between 1982 and 1985 and after he lost his seat in the 1985 election he became the Joblink officer in the metropolitan southeast regional office of the Department of Labour. I saw Judy Dixon recently. She was the Labor member for Boronia Province from 1982 to 1988. She became a senior policy adviser for older persons services in the health department. She was then appointed as the Chairperson of the Community Council Against Violence in the Department of the Premier and Cabinet, the Commissioner for the Prevention of Violence, a member of the National Committee on Violence Against Women and a member of the Ministry of Transport safe travel forum. The point I make is that when she lost her seat somebody found something for her to do. I do not criticise that.

I believe the appointment of Mr Heffernan as a commissioner of the Shire of Nillumbik is an

excellent appointment and that Mr Hayward will be extraordinarily good on the zoo board.

What about Lou Hill? He was a twicer! He was a member from 1982-88, and six months after he was defeated he was made a magistrate. What about the late Laurie McArthur whom we were talking about the other day. He was put on the Victorian Egg Marketing Board. Michael Arnold is my favourite. He lost his seat in October 1988 and by January 1989 the former Premier, John Cain, wrote in a memo that Mr Arnold was going to earn so much money as a consultant - \$ 1 5 6 000 - that his salary was to be cut in half. Mr Cain wrote across the bottom of the memo, 'Mr Arnold knows about this; I have spoken to him'. Excuse me! They worked out that he would earn more than a backbencher! He was then made a judge on the Accident Compensation Tribunal.

Doug Newton was the Labor member for Bennettswood from 1982 to 1985. He was made manager of a recycling unit of the EPA and was then promoted to manager of the waste management unit of the EPA. What about Bob Miller, the former Labor member for Prahran from 1982 to 85? He was made Director of the Regulation Review Unit, Technology and Resources, which was then part of the Department of Industry, Technology and Resources.

Mr Theophanous should not have the nerve and hide to come in here and talk about jobs for the boys because his own party's track record is so appalling. Mr Power commented on the wonderful contribution made by Ms Marple during her time in Parliament. I cannot resist the opportunity to comment on her job for the girls back in the good old days! Ms Marple was appointed by her friend, Mrs Kirner - w h e n Mrs Kirner was the Minister for Conservation Forests and Lands - as Deputy Chairman of the Vermin and Noxious Weeds Destruction Board.

Hon. W. R. Baxter--She got a car!

Hon. BILL FORWOOD - S h e got a car for being the deputy chairman. That was in 1986. I want to put on the record some of her comments about her job. She was interviewed by a journalist from *Stock and Land* and the article says:

In recent years Ms Marple had worked more in the education and community fields rather than on the land.

She has been a director of an education centre as well as a supervisor for the adult training centre, where she has had to work with young unemployed people.

Commenting on her expertise that rendered her suitable for the position, Ms Marple said that in addition to her work in the education field she 'had helped on the farm'.

'In fact, last weekend I made the casseroles for the shearers'.

We can laugh at that.

Hon. M. M. Gould - You obviously have not spoken to any shearers.

Hon. BILL FORWOOD - No, I haven't. Let me finish the article from *Stock and Land*, which says:

Ms Marple maintains that she fully understands the problems farmers are facing nowadays.

'Farming is very much like housework in that you go to bed thinking that you haven't done all that you wanted to do. You have to learn to live with a lot of frustrations.'

She earned \$40 000 a year as deputy chairman of the Vermin and Noxious Weeds Destruction Board. Mr Theophanous has a nerve to come in here and criticise us about jobs for the boys. Look at their record! Let me turn to Labor Party preselection.

Hon. D. A. Nardella interjected.

Hon. BILL FORWOOD - You had a go at ours; let me talk about yours. I have in my hand the preselection results published in *Labor Star*. They were early days, because Gary Bourton at Eltham scored a mention and he did not make it across the line at the end; he withdrew well before the election got too close. It goes into some detail about a bunch of people who were optimistic they might have had a chance to win a seat. This was about the time my colleague Ms Asher got extraordinarily upset when Mr Brumby referred to the Labor Party team as 'a political version of the Baby Bombers' - Mr Brumby's team. The Baby Bombers did not do too badly; they won the premiership. The article says:

John Brumby has described the team as 'a political version of the Baby Bombers', combining youth with experience and a belief in themselves.

Some belief! He says:

We can follow the example of don, who came back from 48 points down to win. The 78 swing we need is attainable.

1994 will be a year for campaign planning, team building and fundraising.

Of course, that is what they did. They did team building, campaigning and fundraising; some of them in particular got to work in the branches. We have talked about Eltham. There was Robyn McLeod at Mordialloc - we could go and talk to the guys down there. There was Robyn Mason - bad luck, Robyn, that was hard. Tullamarine, David White; Peter Gavin withdrew. Jean Lyon at Berwick; Bayswater was Barbara Lewis. Sang Nguyen is here; he beat Lida Kokocinski.

Carole Marple got 63 per cent of the local vote and Lynne Kosky got only 36 per cent, but she won the seat. The panel had that one fixed. We do not need to touch on Frankston East. There was a very good result in Frankston East at the election. But these are the preselection results for the ALP. I should mention that the ALP preselection for Geelong was postponed to May the next year because there was a real problem about Virginia Todd and Ms Marple. What they did not know is that it did not matter who they put up - -

Hon. R. A. Best - She wasn't going to win anyway.

Hon. BILL FORWOOD - That's right. Let me congratulate Mr Cover, a member for Geelong Province, on his contribution to the address-in-reply debate. So that was the team the ALP put up for the election. They went with that team to the election and, to put it bluntly, they got thrashed. We understand how disappointing it is when you get thrashed and we understand that when these things happen, you decide to have a good hard look at yourselves. We applaud that; we think that is a very good idea. If you do not want to be on the backbench of the Labor Party, a dispirited, down, dejected Labor Party, for a very long time, you must take a good hard look at yourselves.

That process was started by one Pete Steedman. He has been around for a long time; he was the member for Casey for a while. He wrote a terrific letter to Darrel Cochrane, general secretary of the AMEU. The letter is dated 5 April 1996, four days after they got creamed. It says 'fax and post'. I do not know

where it was faxed and posted to but a lot of copies got faxed and posted, and one got faxed or posted to me.

I do not intend to raise any of the issues about the federal members of Parliament that he cleaned up on the way through, as much as one is tempted, because they include Bob Sercombe, who was here for a while, and Harry Jenkins, from out my way. It says:

Mr Dynamic - hides in his office with maps of branch membership on the walls to watch his numbers.

Not a bad comment. But I am going to leave those aside. I will refer to just the Labor Party members, the Baby Bombers - I am sorry, Ms Asher! This was the team that the Labor Party decided to offer to Victoria, and, within four days of the election, one of their own people was saying:

Jan Wilson - as thick as two bricks.

I think that is a bit rough on the bricks. Then it says:

George Seitz - has had a good run but will not make the A team.

Nor, may I suggest, the B or even the C team. Then it refers to Neil Cole. This is unkind, because Neil and I have worked together on the Law Reform Committee and I think Mr Steedman has got this wrong. He says:

Neil Cole - treacherous and a waste of space.

I disagree with that; I think it is wrong. The next comment is:

David Cunningham - nice bloke and a good local member - -

I agree with that, too; he is a nice bloke -

but is holding down a safe seat needed for a high-flier.

When the Labor Party team is a bunch of low-lives in the gutter, a high-flier is what is needed. Maybe David will never fly high but he is a good bloke.

It says Alex Andrianopoulos failed to take a mark. He cannot even get off the ground, let alone take a mark. Michael Leighton is another one from out my way. He is described as 'lazy and a branch manipulator and stacker'.

Hon. D. A. Nardella - On a point of order, Mr Deputy President, standing order 131, which concerns unparliamentary language, says:

No member shall use offensive or unbecoming references in reference to any other member.

I request that the honourable member cease doing so in regard to honourable members in another place.

Hon. K. M. Smith - On the point of order, Mr Deputy President, branch stacking is not an offensive word; it is a common term that is used both inside and outside the Parliament and has been used in that way for a long period. Mr Nardella should not get upset about expressions like that, after some of the things that have been said. Certainly there is no point of order and it is not an issue that should have been raised.

Hon. D. A. Nardella - On a further point of order, Mr Deputy President, an accusation was made about a member of the other house, Mr Michael Leighton. Words that would be offensive to that particular member were used, and I ask for those words to be withdrawn in line with standing order 131.

Hon. BILL FORWOOD - On the point of order, Mr Deputy President, when I was undertaking detailed research for my speech, one of the expressions I searched for in *Hansard* was 'branch stacker', which appeared on many occasions. I scrolled through to see who used that word. From memory, 'branch stacker' has appeared in *Hansard* some 20 or 30 times in the last year. I think it is extraordinary for Mr Nardella to take the point of order.

The DEPUTY PRESIDENT - Order! On the point of order, standing order 131 states:

No member shall use offensive or unbecoming words in reference to any other members.

It is important that most of the comments Mr Forwood has made have been direct quotes from a document. Nevertheless, as I said when ruling on an earlier point of order, in these kinds of debates with comments being made both by speakers and by interjection we are all sailing pretty close to the wind and not setting a good example for standards of behaviour and comment in this house. I issued a warning last time.

In respect of the earlier point of order, the comments were not directed towards a particular person; in fact Mr Forwood commented about quite a few members of Parliament. With this point of order the comments were more specific and Mr Nardella took offence at comments made about Mr Leighton in another place. In this particular case I ask Mr Forwood to withdraw the remarks about Mr Leighton to which a member has taken offence.

As I said, I like to hear good, open, constructive debate in this house. Some of the comments from both sides have not been constructive to the debate. It would be better if we moved on with the comments and further debate and, to help expedite the progress, I simply ask Mr Forwood to withdraw the comments to which Mr Nardella has taken offence.

Hon. BILL FORWOOD - I withdraw. I make the point that these are not my words; they are the words of Mr Steedman. I hope he will allow me a little bit of licence, as I interpret what he has written, because I obviously cannot quote his comments verbatim.

One of the people not mentioned in Mr Steedman's letter is Mr Nardella. There can be only two reasons for that: firstly, that he is so good and such a high-flier that there is no reason to include him; or secondly, that he is so irrelevant that Mr Steedman doesn't even know he exists. As a magnanimous gesture to Mr Nardella, I shall take the first option: I say he is a high-flier. I am sorry that he was demoted from the opposition's front bench.

I now paraphrase Mr Steedman's letter which says, in part: Ian Baker is going nowhere, is obviously frustrated and should jump; Tony Sheehan put himself on the list by not contesting the shadow ministry, which means his career is over so he should move aside; Demitri Dollis has a lot to contribute and should stay in the Parliament but not as deputy leader; and Jim McLean - I think he means Jean McLean - and Doug Walpole are nice people but in a depleted upper house - I know there are 34 of us and only 10 of them - we need some aggressive talent. Mr Steedman says some unkind words about Mr Pullen - he says he is 'yesterday's man'. He says of Mrs Hogg that she is a good operator but should do the right thing. We now come to Mr Theophanous, and in this instance I need to use some ingenuity because I do not wish to circumvent the Deputy President's ruling. Mr Steedman says that, 'You know my opinion of this corruptor of party rules'.

Hon. D. A. Nardella - On a point of order, Mr Deputy President, standing order 131 does not permit Mr Forwood to say that Mr Theophanous is a corruptor of the rules, and I ask him to withdraw.

The DEPUTY PRESIDENT - Order! It is up to the member present in the house to take offence at those remarks.

Hon. T. C. Theophanous - On the point of order, Mr Deputy President, the opposition has given some leeway to Mr Forwood in allowing him to read from a document that is inappropriate to quote because it represents the views of one individual. If the precedent is accepted any member may read out views expressed by someone else - -

Honourable members interjecting.

Hon. T. C. Theophanous - You may learn something if you keep quiet. If a member is allowed to come into the house and read out views expressed by somebody else which denigrate a member of the house it is open to all members to read out such documents or have people write documents that make comments that are untrue, deride members or make defamatory and objectionable comments. On that basis, even though Mr Forwood was reading from a document, I find the comments offensive and untrue. Mr Forwood has no basis, apart from the document, for making those comments, and it is as if the member himself were making the claim.

Mr Deputy President, I ask you to ask Mr Forwood to desist from reading the document, which makes objectionable claims about members.

The DEPUTY PRESIDENT - Order! There is no point of order regarding a member quoting a document. That has been the practice in this house for some time.

Hon. T. C. Theophanous - If that is the case I will make one up.

The DEPUTY PRESIDENT - Order! I remind members that when the Chair is on his feet no member is allowed to speak. In respect to the point of order being raised, as I was saying, it is in order for members to quote from documents and if, during the quoting from a document, a comment is made to which another member takes offence, it is appropriate for that member to raise a point of order and ask for a withdrawal. In this instance Mr Theophanous is taking objection to a comment, whether in the quote or not, and he is entitled to ask

that it be withdrawn. That part of the point of order is upheld, and I ask Mr Forwood to withdraw those comments.

Hon. BILL FORWOOD - I am happy to withdraw the comments and Mr Steedman's implication. Mr Theophanous can dish it out, but cannot take it. I note that he waited until I got to the last person in the letter.

Hon. Louise Asher - You didn't mind anyone else being bucketed; you let his comments go until he started bucketing you.

Hon. T. C. Theophanous - Not true.

Hon. BILL FORWOOD - I shall refer to the preselection process of the Labor Party in a minute, but I remind members opposite that the Labor Party took us on at the last election and got thrashed, that their own side say they are dead wood and that some members opposite play fast and loose with the way some things can be done in some political organisations.

The real problem confronting the Labor Party is finding suitable candidates to fill positions. Not only does Mr Steedman believe there are problems with Labor's current members of Parliament but he says the party should not preselect local warlords, brain dead local government leftovers who need a step up the ladder or inner-suburban professionals who are totally up themselves.

Mr Steedman says the party should give a run to some of the troops and see what happens. He says that a massive purge of 15 or 20 by-elections is unprecedented and will be rejected by the party as being too risky, but since many of the recommendations involve safe Labor seats it could be sold as part of the party's revitalisation to prepare a viable opposition to counter massive majorities by the coalition forces. He goes on to say that the party should bite the bullet. I agree with him. They were part of the Baby Bombers; they have been thrashed and should give the game away.

I now raise a delicate topic that I want to talk about in some detail. I refer particularly to how some members of the Labor Party find their way into the chamber, and I will have difficulty explaining the story in full if I cannot use some of the expressions that are used in the correspondence. I have with me several articles about ethnic ALP branches and their Balkanisation of the Labor Party.

GOVERNOR'S SPEECH

282

COUNCIL

Tuesday, 4 June 1996

Hon. T. C. Theophanous - Who is the author of the articles?

Hon. BILL FORWOOD - The first is by Ernest Healy.

Hon. T. C. Theophanous - Who's he?

Hon. BILL FORWOOD - My understanding is that he is an academic at Monash University.

Hon. T. C. Theophanous - He's not connected with the Liberal Party, is he?

Hon. BILL FORWOOD - Judging by his detailed knowledge of the Labor Party, I doubt it very much. I point out that this article does have a list of all the branches in the Batman electorate, including the approximate numbers of the members, their ethnicity/language, and the percentage of total branch members. This is an article about the battle between Mr Theophanous, who had spent many years 'getting ready' - the polite expression - for the day Brian Howe retired - -

Hon. T. C. Theophanous - What, working with the constituents?

Hon. BILL FORWOOD - Let me pick up Mr Theophanous's interjection about working with the constituents, because Mr Healy makes the point that the:

1991 census data indicate that the Greek-born Batman population is 6 per cent. The proportion of the Batman population who speak Greek in the home is 11 per cent -

But the proportion in the branch is substantially higher than that: 39 per cent of the major branches, Batman North and Northcote East, is made up of Greek speakers. He also makes the point that Mr Theophanous is a member of one branch and his wife runs the other.

Hon. T. C. Theophanous - On a point of order, Mr Deputy President, I have actually seen this article and I do not believe that quote is correct in the way that it has been put by the honourable member.

Hon. Louise Asher - He said it makes the point.

Hon. T. C. Theophanous - Yes, and he indicated something about my running one branch and my wife running another. I consider it to be a disgusting attack on my wife.

Honourable members interjecting.

The DEPUTY PRESIDENT - Order!

Hon. T. C. Theophanous - The article does not even use those words. I find it a disgusting attack on my wife and I ask, Mr Deputy President, that you ask Mr Forwood to withdraw the comment.

Hon. K. M. Smith - Further on the point of order, Mr Deputy President, this is a place where we have freedom to speak and over a long time Mr Theophanous has been known to speak his mind and make unfounded allegations about people in this house. Because he gets a bit touchy, he wants to draw points of order to your attention. He has no point of order. This is a house of free debate, within the bounds that you set this afternoon. Mr Forwood is quoting from an article. If we are going to get to the stage where people can't quote from articles that are properly researched and documented, we might as well close the house down. I ask that you rule against the point of order.

Hon. Louise Asher - Further on the point of order, Mr Deputy President, firstly, I make the observation that my understanding is that Mr Forwood said something along the lines of, 'the article makes the point that' - he did not say he was making a direct quote. He then went on to paraphrase in his own words. Mr Theophanous is asking for a withdrawal based on a misunderstanding, because Mr Forwood was not quoting. Secondly, Mr Theophanous has claimed that Mr Forwood had caused an offence or was insulting his wife in some way.

Hon. T. C. Theophanous - You're a great defender of female rights, aren't you?

Hon. Louise Asher - I am. I make this important observation on this point of order: that all Mr Forwood said was that Mr Theophanous's wife was running a branch of the Labor Party. As one who supports women in leadership positions, I regard that as a good thing. So there was no intention to insult Mr Theophanous's wife. Mr Forwood was simply making an observation that this was the status and this was the position she held.

Hon. T. C. Theophanous - You're getting into the gutter with him!

The DEPUTY PRESIDENT - Order!

Hon. Louise Asher - So there is no ground for offence in the first point he raised because Mr Forwood was not quoting directly. As regards the second, there was no offence whatsoever to Mr Theophanous's wife. The only reference made to her was that she was the president of a Labor Party branch.

Hon. B. N. Atkinson - Further on the point of order, Mr Deputy President, I am mindful of the earlier appropriate comments that you made and the constraints you placed on members. I find it a bit precious that Mr Theophanous should raise a point of order on this matter when earlier today he was able to defend an allegation that Mr George Cox, a former member of this place, took a bribe. He said in his defence of that particular comment that it was fair and reasonable for him to make that attack, that under parliamentary precedent because that person was not a member of the house he was able to make a comment on that man and what has happened.

Yet here we have him taking exception to a comment about somebody else, who is also not a member of this place, that I suggest was not as derogatory as what was said earlier by Mr Theophanous about Mr Cox. I find it hard to understand how he can take two different and quite contradictory positions. I suggest your ruling ought to be consistent with your previous ruling.

Hon. T. C. Theophanous - Further on the point of order, Mr Deputy President, I make the following points in response to the claims of government members. First of all, Mr Forwood, in making his point, said that the article points out 'that Mr Theophanous runs one branch and that his wife runs another' -

Hon. K. M. Smith - He said you were a member.

Hon. T. C. Theophanous - That's not what he said. You weren't listening!

Hon. K. M. Smith - I was listening.

Hon. T. C. Theophanous - He made the comment, and that is what I took exception to. In fact the article says I am a member of one branch and my wife is a member of another branch. The way it was presented by Mr Forwood was a direct attempt to misrepresent what the article says. The second point I make is that my wife is not the president of the branch, for your information, Ms Asher.

Honourable members interjecting.

Hon. T. C. Theophanous - She's a member of that branch, and she is a very good member of that branch. She is a very active person in politics in the area, and has done a great deal to assist me in my work with constituents in the area.

The third point I make, in response to Mr Atkinson's point - that is, the question of something being objectionable to a member - is that this is objectionable to me. It is not a question of whether the reference is to my spouse. This is objectionable to me and the situation is that both my wife and I are being accused of something which I strenuously deny.

Honourable members interjecting.

The DEPUTY PRESIDENT - Order!

Hon. T. C. Theophanous - I am being accused of running the branch, and I do not. It is a branch run independently of me. I am a member of that branch and I attend meetings of the branch. I take exception to the imputations by Mr Forwood against both me and my spouse. Under standing order 131 I ask you to ask him to withdraw - and the next time tell the bloody truth!

Honourable members interjecting.

The DEPUTY PRESIDENT - Order! In this ruling let me make very clear the rules on making comments to which members may take offence. Whether they are a quote that is being quoted in the second person or not a member still has a right to take offence to those comments. Mr President dealt with the issue last week, when the boot was on the other foot, so to speak.

Let me make it clear that one cannot just come in here and quote a document members may take offence to. The simple reason is that you could just get a friend to write a comment to try to convey a message in what would be a very underhand way by making a comment in the second person that someone could take offence to.

So, on the issue of quoting or not, as I have already said twice in making rulings on points of order, a member may still take offence at a remark even though it may be from a quoted document.

On the issue on which this point of order has been raised, as I said at the start of my remarks on it, I am

at a disadvantage in that I did not directly hear the words Mr Forwood was using at that point of time. Therefore, I am unable to make a categorical ruling one way or the other on this issue. However, as I said, for the benefit of expediency and the debate, all I ask Mr Forwood to do is to make a clarification. I am not putting words in his mouth, but I suggest he did not mean to make offence against Mr Theophanous's wife. I therefore ask Mr Forwood to take the appropriate action.

Hon. BILL FORWOOD - I am happy to withdraw. I wish to make this point, not because you suggested it, Mr Deputy President, but because I intended to do it anyway: nothing I said tonight was in any way intended to be a slur on Mrs Theophanous.

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

Hon. BILL FORWOOD - Before the suspension of the sitting I was contrasting the Labor Party's method of selecting its members of Parliament with our method and following up some of the issues raised by the Leader of the Opposition in this house, Mr Theophanous, in his speech on the address-in-reply to the Governor's speech.

I was about to quote extensively from an article by Ernest Healy headed 'Ethnic ALP Branches - The Balkanisation of Labor Revisited'. It goes into detail about the method by which members of the public joined the seat of Batman, which honourable members will know was a seat Mr Theophanous had his eye on following the resignation of Brian Howe, the former Deputy Prime Minister, who was moving on. People will be well aware that Mr Theophanous's state electorate overlapped much of that area and he was very interested in going federal - or feral, as some of us thought.

I shall quote some bits of the article. One paragraph in particular that is appropriate to place on the record is this:

However, the claims that local party branches fairly represented the Batman population were spurious at best, as was Theophanous's denial that branch stacking had distorted local preselection decision making. Table 1 gives a breakdown of the Batman Labor Party branch structure.

The table provides the branch names, the number of members in each branch and the ethnicity, or language, of the members of those branches. It goes on to say:

The two major Greek-speaking branches (Batman North and Northcote East) make up 39 per cent of branch membership in Batman; Theo Theophanous is a member of one of these; his wife is a member of the other. Because there are Greek members in other Batman branches besides Batman North and Northcote East, Greeks account for about half of the Batman party membership ... The membership of ALP branches in Batman has increased from 440 to nearly 1100 in the past two years.

Hon. R. A. Best - A very mobile branch!

Hon. BILL FORWOOD - Yes. Mr Healy continues, saying that much of the increase was due to branch stacking. He makes the point:

Labor embraced an ideology which prioritised ethnicity over other more inclusive bases of party and national identity. One consequence was that ethnic minorities were utilised as a source of political legitimacy. Nurtured through state patronage, ethnic elites exercising intra-communal influence played a crucial part in this process.

So, rather than the open, straightforward preselection procedures that take place in the Liberal Party, the Labor Party has a moving feast, where it uses the ethnic backgrounds of members of the population to manipulate the figures in a branch for its own political reasons. Let me make the point that merit is the only criterion used in the Liberal Party; branch stacking is the major mechanism used in the Labor Party.

Let me return to the remarks of someone I quoted earlier in my speech, Pete Steedman. In an article that appeared in the *Age* on 27 July 1994, Mr Steedman wrote an opinion piece headed 'Branch stacking - the Bad News for Labor and the Community'. He makes the point that after the Kennett landslide, John Brumby - then he uses some polite words to describe him - inherited a shadow cabinet made in hell.

Honourable members interjecting.

Hon. BILL FORWOOD - It is the shadow cabinet made in hell. Mr Steedman goes on to investigate some of the many examples of branch stacking that have been taking place in the Labor Party. The article states:

According to the report, 170 new members from the Greek, Filipino, Italian and Lebanese communities were recruited on 25 April by western suburbs MPs as

retaliation against branch stacking a week earlier when 80 Turks had been signed up.

When I finish with the branch stacking in Babnan and Mr Theophanous, I will turn to the branch stacking in Doutha Galla and investigate in some detail the role of Mr Eren, a new member to this house, and his participation in multiple recruitment - the euphemism used by Mr Brumby - in Doutha Galla. But let me finish with Batman.

We know the story. Mr Theophanous stacked the branches, got the numbers, put his hand up, went in and got gazumped by the New South Wales right: he lost. The speech he gave in this chamber last week on the address-in-reply was the speech of a loser. He got in the gutter and chucked a bucket of mud. He is a loser. He is so much of a loser that the day after he lost he told the newspapers and was reported as claiming a moral win. One headline is 'Local candidate claims a moral win'. If he had a moral win there, I would hate to know what a loss was. Martin Ferguson went to Canberra and, for all Mr Theophanous's moral win, he is here today and he does not like it.

Hon. T. C. Theophanous - I don't like what?

Hon. BILL FORWOOD - You are here today and you don't like it. Let me finish my small contribution on the address-in-reply debate by touching briefly on the role of Mr Eren. Mr Eren first came to prominence during the leadership challenge against Mr Brumby in 1994; the plot to bring John Brumby down. Now we all know that Mr Brumby was saved by the Socialist Left and was captured by the SL and all the rest of it. But part of the price of the deal was that one of his members of staff, who had been spending some time multiple recruiting for the branches in Doutha Galla, was asked to step aside.

There is a picture in the *Age* of 7 May 1994 - a good photograph - of a couple of guys standing, holding each other's hands. On the left-hand side, which is no doubt appropriate, is Mr Eren, and on the right-hand side is a grinning John Brumby. The caption to the photo says, 'Tayfun Eren and Opposition Leader Brumby, in happier days.'

An honourable member interjected.

Hon. BILL FORWOOD - He is squeezing his hand too hard. The article, headed 'What candidates say on stacking', says:

TAYFUNEREN

A part-time employee in Mr John Brumby's electorate office, Mr Tayfun Eren was a central figure in this week's leadership drama. Mr Eren had allegedly stacked hundreds of Turks and Slavs in the Upper House seat of Doutha Galla.

It is not surprising that we see merit here today - of course he is here on merit -

Honourable members interjecting.

Hon. BILL FORWOOD - I don't doubt he is here on merit; I'm sure he is here on merit, but it is very useful to have the numbers too. The article continues:

Mr Brumby had to agree to sack Mr Eren as part of the deal ...

Opposition Members - He didn't sack him!

Hon. BILL FORWOOD - Obviously he was -

Opposition Members - Well, it's wrong!

Hon. BILL FORWOOD - It continues:

as part of the deal with the left to save his leadership.

Let me get to this bit:

Since the failed challenge, the *Age* has been unable to contact Mr Eren. His home phone number appears to have been disconnected.

So after the challenge he briefly went to grormd, but then he surfaced. And guess where he surfaced? In the electorate office of Miss Gould. So he left Brumby's office and went to Miss Gould's electorate office.

Hon. M. M. Gould - He started in my office on Monday and he left Mr Brumby's office on Friday.

Hon. BILL FORWOOD - Let the record show that he left Mr Brumby's office on Friday as part of the factional deal to save Mr Brumby's leadership and he started two days later -

Hon. M. M. Gould - He resigned from John Brumby's office and I employed him on the Monday.

GOVERNOR'S SPEECH

286

COUNCIL..

Tuesday, 4 June 1996

Hon. BILL FORWOOD - I am not at all surprised that you employed him on the Monday.

Hon. M. M. Gould - What's your point?

Hon. BILL FORWOOD - I just wonder - -

Honourable mem'bers interjecting.

The PRESIDENT - Order! Settle down please!

Hon. BILL FORWOOD - I do wonder, though, that in his inaugural speech in the chamber he can say that he is proud to have been a member of her staff helping her in - -

Hon. M. M. Gould - Exactly.

Hon. BILL FORWOOD - Mr Eren puts it on the record that he was a member of Miss Gould's staff. But he does not thank the Leader of the Opposition. Let's just investigate this in detail.

Honourable members interjecting.

Hon. Louise Asher - Whatever Brumby tells you to do, you do!

Hon. T. C. Theophanous - You worked for Bob Collins!

Hon. Louise Asher - I didn't work for Bob Collins; he's Labor, you idiot!

Honourable mem'bers interjecting.

Hon. D. A. Nardella - You want to work for Bob Collins!

Hon. T. C. Theophanous - Peter Collins.

Honourable members interjecting.

Hon. T. C. Theophanous - Oh well, I got the surname right!

Hon. BILL FORWOOD - In the *Interim Parliamentary Handbook* Mr Eren describes himself as having been an electorate officer for Mr John Brumby, MLA, and the Honourable Monica Gould, MLC, but he left out the bit about stacking the branches for him.

I will quote the Leader of the Labor Party, Mr Brumby, whose remarks in an interview were reported in the *Age* of 1 May 1994, about the time he

was under threat; it was about the time they were doing his leadership. He said:

In an interview with the *Sunday Age* this weekend, Mr Brumby confirmed that one of his staff had been involved in 'multiple recruitment' and that some within the party were attempting to hold his position as leader 'hostage' because of the escalating in-fighting.

Now this was two years ago, about the time they were putting together the team that was - -

An honourable member interjected.

Hon. BILL FORWOOD - The Baby Bombers who were going to come along and, to use Mr Theophanous's expression, 'have a go at us'. The article reported that Mr Brumby pointed out to the *Sunday Age* that:

More than 1000 new members have joined the ALP in the past fortnight - -

An Honourable Member - How many?

Hon. BILL FORWOOD - A thousand, in a fortnight! Now I suspect that Mr Eren probably knew most of the 80 Turks that he got that week, but he couldn't have got more than that; not a thousand -

largely concentrated around the Upper House seat of Doutta Galla ..

As we have already noted, Mr Eren won that on merit because he had the numbers. Mr Brumby, of course, also held that seat before. So here we have the eternal triangle of Miss Gould, Mr Eren and Mr Brumby all swimming around among the thousand new members in a fortnight in Doutta Galla.

One of the problems that comes along when you do this is that other groups want to get involved as well. So other than the thousand in this group we then had different sections of the party co-opting different ethnic groups, including the Turks, the Greeks and the Latin Americans - -

Hon. M. M. Gould - We are multicultural; we are not restrictive - -

Hon. BILL FORWOOD - We are not the least bit restrictive either - look at Mr Furletti, Mr Katsambanis, and Mrs Powell, who comes from England. They are all very good.

Honourable members interjecting.

Hon. BILL FORWOOD - Hang on. I am happy to admit it. There are 10 of you, and we have Australians from Cuba, Vietnam, Turkey and Italy.

Honourable members interjecting.

Hon. BILL FORWOOD - It is not a racist comment at all; it is a comment on the multicultural - -

Hon. T. E. Eren - On a point of order, Mr President, I refer to standing order 131, and point out that the members on this side are not Cambodian or Turkish but are Australians. I ask the member to withdraw that comment.

Hon. BILL FORWOOD - Mr President, if they take offence at my comments, I happily withdraw. I am happy to put on the record that they are Australians. I welcomed them in my opening remarks to this chamber.

Hon. T. C. Theophanous - After you made the disgusting remarks in the first place.

Hon. BILL FORWOOD - I welcomed them wholesomely as Australians to this chamber - absolutely, not a problem!

Hon. T. C. Theophanous - You wouldn't know.

Hon. BILL FORWOOD - I was about to get to you; I was going to say that you are an Australian Cypriot. Are you going to take offence at that?

Hon. T. C. Theophanous - I am Australian and I was born in Cyprus; that's what I am.

Hon. BILL FORWOOD - Thank you. Let the record show that he is an Australian born in Cyprus - okay; I am an Australian born in Australia, and it makes no difference to me. Let me finish with this brief comment.

An Honourable Member - Thank goodness!

Hon. BILL FORWOOD - If you provoke me I might go into the Joe Italiano story.

Honourable members interjecting.

Hon. BILL FORWOOD - Who won preselection for the seat for Werribee, hey? Well, Joe got preselected under another deal. Joe was selling his

house in Park Orchards so he could move down there, but at the end of the day, despite what Ken Coghill said about the preselection system in the seat of Werribee, he didn't run, did he? Ms Gillett did. But we'll save Joe Italiano for another day.

Honourable members interjecting.

The PRESIDENT - Order! Don't encourage him.

Hon. T. C. Theophanous - Come on, what other ethnic member are you going to pick on?

Hon. BILL FORWOOD - Don't tempt me, Theo!

Honourable members interjecting.

Hon. T. C. Theophanous - We know where you're coming from and what your views are.

Hon. BILL FORWOOD - Let me finish my brief contribution. I rose to my feet today for one reason and one reason only. I chose to deliver this speech in this manner purely because of the puerile accusations that the Leader of the Opposition dealt out in the garbage he put out in this house last week.

An Honourable Member - Glass jaw.

Hon. BILL FORWOOD - Glass jaw for sure! I make the point that at the end of the day the coalition is about governing for all Australians and all Victorians no matter where they are from. The Leader of the Opposition has no vision and his speech was from the gutter. I invite the Leader of the Opposition to stand up any time he likes and throw mud by producing anonymous letters and shonky little press releases based on leaks because we will just get on with providing good government in Victoria in this term, the next term and the term after that!

Government Members - Hear! hear!

Hon. D. A. NARDELLA (Melbourne North) - It is a very sad day when a member comes to this house with lots of promise, ideas, life experience and what was thought of as a future, only to prove to be an absolute disappointment because all he can do is besmirch honourable members on this side of house and call into question the democratic procedures of the Australian Labor Party.

Mr Forwood has no understanding of the pluralistic nature of our party. He does not understand that we are decades in front of the Liberal Party with regard

to representing the Victorian community on a multicultural basis. Further, Labor is centuries in front of the National Party. The National Party has just caught up and for the first time put a woman in Parliament - and a good woman at that!

Mr Forwood used a set of false premises to attack the great name of the Australian Labor Party and its electoral processes. Labor is streets ahead in an absolute and real sense. Where are the ethnic communities represented on the government side of the house? The Liberals have some Greek-born and Italian-born members, and that is terrific! But what about Liberal Party federal preselections.

An honourable member - Petro Georgiou.

Hon. D. A. NARDELLA - What did he have to do to get preselection? Let us put on the record - -

Honourable members interjecting.

The PRESIDENT - Order! The proceedings cannot continue if the Hansard reporters cannot record them. Hansard reporters cannot possibly hear above this racket! I ask honourable members to allow Mr Nardella to make his points, even if they are provocative. I ask honourable members to restrain themselves.

Hon. D. A. NARDELLA - What did Mr Georgiou have to do? I will give the house a history lesson: he had to threaten to resign his position in the Liberal Party, he had to threaten the position of the Liberal Party to get the Kooyong preselection.

Hon. D. Mel. Davis - Nonsense!

Hon. D. A. NARDELLA - It is not nonsense - look at the press reports of the time. The Liberal Party is stuck in the last century and is not representative of the Victorian or Australian community. One has only to look around the chamber to see that is the case. For Mr Forwood to start criticising Labor's democratic preselection processes - -

Hon. Bill Forwood - It was Steedman.

Hon. D. A. NARDELLA - But it came out of Mr Forwood's mouth! So, unless Mr Forwood is saying Pete Steedman is standing where he is standing, that is not the case. Although the preselection processes in any political party can be

challenged and queried, the Australian Labor Party processes allow democratic preselection of people.

Hon. Louise Asher interjected.

Hon. D. A. NARDELLA - Don't talk about Reg Macey, Ms Asher. I may not necessarily agree with the preselection choices but the processes are democratic and, in addition to the central panel process, allow for local and trade union movement input - i n p u t from all the component areas of the Australian Labor Party.

Mr Forwood should not talk about Labor having a crook process. The process we employ has resulted in a Turkish-born member and a Vietnamese-born member taking their places in this house, and a Cambodian-born member being elected to the other house. Who does the coalition champion when its members talk about multiculturalism? They are not here. It is a case of, 'No show, Your Honour'. The Liberals are centuries behind, and the National Party is even worse. The National Party has had to be dragged kicking and screaming to the stage of putting a good woman into Parliament. Mr Forwood should not talk about the preselection processes of the Australian Labor Party.

Mr Forwood mentioned Carole Marple, the former member for Altona in the other house. Carole is a good friend of mine and I was extremely disappointed that she did not regain preselection for Altona and missed out on selection for Geelong Province. Carole Marple contributed greatly to the work of the Legislative Assembly. Her contribution in three and a half years in Parliament was much greater than any contribution Mr Forwood will ever make. Carole demonstrated her integrity, her original thinking, her love of her constituents and her commitment to the Labor movement - things honourable members on the other side of the house have no understanding about. Government members have no understanding about the Labor movement and even if you could collect together the thoughts of all coalition members you would find they still did not have an understanding of working-class people in Australian and Victorian society.

I say to Mr Forwood, through you, Mr President, that he is not a shadow of Carole Marple and that her contribution to Parliament will stand the test of time and be recognised for what it was even before he leaves this place.

Members of the Liberal Party may talk about Labor Party processes, as they have tonight, but when you talk about branch stacking or, if you will, multiple recruitment you need look no further than the Liberal Party's backyards.

In 1992 Mr Ali Riza Kozanoglu stood as an endorsed Liberal Party candidate against the member for Thomastown, Peter Batchelor. In 1993 he stood as the endorsed Liberal candidate against Lindsay Tanner in the federal seat of Melbourne. What did he do between preselections and elections? He was out recruiting in his own community, stacking the Liberal branches in the northern suburbs. For the Liberal Party to say only the Labor Party does it is utterly wrong, and I can go further than that. It is not only about multiple recruiting or branch stacking; it is also about representation of all minority and ethnic groupings within society, which is vastly different!

Hon. Bill Forwood interjected.

Hon. D. A. NARDELLA - Here is the proof! I can say it with a straight face. I can go into the other chamber and demonstrate again that the Liberal and National parties are not representative of a pluralistic society. You do not care about ethnic people being represented and having their views heard. That is the difference! I have proved that by the facts I have just gone through.

Mr President, I formally congratulate you on your election as President. I congratulate all new members on their election to this great Parliament. I echo the comments of Mr Power that the majority of contributions from new members were great, and I look forward to further contributions from them.

I shall now talk about guns in our society. I applaud the stand taken by the Prime Minister, Mr Howard, and the federal opposition leader, Mr Beazley. Their position is overdue, and tragically it has been forced upon Australian society. Too many deaths have occurred at the hands of males wielding guns in Victoria, New South Wales and now Tasmania. Those mass shootings should not have occurred in our communities.

Deaths as a result of firearms used by family members against other family members number too many! In its national homicide monitoring program the Australian Institute of Criminology undertook a survey between July 1989 and June 1993 and found that of the 1267 homicides in Australia one-third were at the hands of family members and one-third

involved firearms. It is obvious that those deaths were caused by easy access to firearms.

The figures are even worse when you look more closely into them. Of the 532 females who died 50 per cent were killed as a result of a dispute between intimate partners and one-third of those involved firearms. Tragically firearms play a huge role in the homicides within Australian society.

It is important to look at the statistics, put them into perspective and then move forward. We must also ensure that those types of incidences are reduced. Unfortunately in 1987 the Hoddle Street massacre occurred. Those images flooded back just a few weeks ago during the awful Port Arthur tragedy. In 1987 the Cain government attempted to pass a number of gun control measures to make our society safer. Within three months of the Hoddle Street massacre the then opposition coalition parties totally and absolutely rejected the proposed changes to gun laws.

I remember watching the television coverage of the first pro-gun rally, and I saw the current Minister for Agriculture and Resources, Mr McNamara, and the current Minister for Police and Emergency Services, Mr McGrath, at the rally. The proposed reforms were watered down in this house by the then opposition and we lost the opportunity to include in the legislation that was subsequently passed good controls on guns, which was a tragedy. In 1988 after a rally that was held in January led by Ted Drane, a National Party member, the then government buckled under, which was a tragedy in itself.

In 1988-89 the New South Wales Unsworth government attempted to bring in tighter gun control measures after the tragedy of the Strathfield massacre. In an extremely opportunistic way the then NSW opposition leader watered down the legislation because of the perceived strength of the gun lobby in New South Wales. The Unsworth government lost the election and gun control measures within that state took a back seat.

In 1989 the federal Labor government under Prime Minister Hawke tried to bring in gun control measures but again, believing it was on a winner because it had an ally in the Sporting Shooters Association, the then coalition opposition opposed the legislation introduced by Mr Hawke and his government.

That action was to have a tragic impact seven years later, because Mr Howard did not then give bipartisan support to gun control legislation.

The opportunistic positions of federal and state coalitions must be contrasted with what Mr Beazley is doing at present. He is giving bipartisan support to the Prime Minister to make sure the government does not buckle under to the gun lobby once again and to ensure that we make our society as safe as possible.

I applaud the manner in which Mr Howard has acted on this issue. He is holding the line. I fear that if we wait too much longer some elements within the National Party and the gun lobby might get their way and achieve some of the changes they have been lobbying for and the gun control laws would be watered down.

I refer to crimping, a process by which the breech or magazine of a semiautomatic rifle can be modified to fire only two or three shots. Without modification to the semiautomatic rifle, all you have to do is put back the original magazine in place of the magazine that has been crimped to have two or three shots.

Hon. R. A. Best - We are not going to help any more. We want to know what you really know.

Hon. D. A. NARDELLA - That is my understanding of what occurs. Shooters put in a fresh magazine with the amount of bullets that a semiautomatic rifle originally could hold. Shooters need only to get an original magazine and they will have a semiautomatic weapon again.

Even before the historic meeting of the federal and state police ministers where gun control measures were discussed, the National Party in Victoria was moving away from Mr Howard and the good bipartisan position that the community supports overwhelmingly. I fear that the insatiable demands of the gun lobby will mean changes will be made that should not occur.

The opposition supports both the federal and state governments on this issue. We must find the way forward; we must make sure that we make our society safer.

In relation to drugs, I was disappointed with the position taken by a number of honourable members in the debate last Friday. I am afraid many of them do not understand the problems that confront our society and the problems that confront individuals

who are stuck in the situation of being addicted to drugs. Although honourable members may have read the Penington report, I do not believe they understand or comprehend what it means.

The Penington committee, which was hand picked by the Premier, comprised extremely conservative people. When they were appointed to the committee, many were against any leniency in the drug laws. Honourable members have worked on parliamentary committees that have investigated matters and after due investigation reached consensus. That is no different from the actions of the Penington committee.

Even today when debating the wheel-clamping bill, the house ultimately reached consensus. That was after the legislation had been considered by a parliamentary committee. After considering all the issues the committee made recommendations on which the government finally acted. In a real sense committee members became the experts on wheel clamping. They attended the public hearings and called in all the various stakeholders. That is no different from the Penington committee. It is no different from what Mr Smith and I did on the Crime Prevention Committee which dealt with child sexual assault. It is no different from the committee that also dealt with the taxi industry or public transport. I changed my views because of the evidence we gathered, and Mr Smith changed his views after that investigation because of the things we saw.

Hon. T. C. Theophanous - I find that hard to believe.

Hon. D. A. NARDELLA - I give credit where credit is due. Everybody on that committee worked extremely well and in a real sense became the experts in the particular field. That is what - -

Hon. B. N. Atkinson - World experts?

Hon. D. A. NARDELLA - It is true, because the vast majority of the committee members were committed to the report. They wanted to find the causes of the problem and to reach consensus on those issues.

The Premier's Drug Advisory Council consulted experts throughout the world and in other states of Australia. They drew together that collective knowledge to make sure the best information was available and incorporated many of the best ideas they gained from around the world in their report.

I was disappointed that many members treated it as a moral issue rather than acknowledging that the present laws are not working. Too many people are dying from drug overdoses. We all hear horror stories of people obtaining a cap of heroin that has been cut so many times that it contains only 15 per cent pure heroin and 85 per cent battery acid, talcum powder, sugar or chemicals that may kill people when injected. We may condemn people for taking drugs but they will continue to do it because they have little control over their behaviour. It is similar to the smoking of cigarettes. I found giving up smoking one of the hardest things I ever did. Many honourable members have stopped smoking and know how difficult it is. Imagine being hooked on heroin! A hit for a heroin addict lasts only 8 hours before he or she gets the shakes. The body craves more heroin. The receptors in the brain react to the craving. Many people find it hard to give up smoking, but it is much worse to give up heroin or other drugs.

The other side of this drug trade is the traffickers who make fortunes. Criminals are making fortunes out of the despair and misery of other people. It has a corrupting influence on society, particularly our police forces. When millions of dollars a week are flowing through the black market it is easy to corrupt a police officer by offering him a year's wages. It is alleged police officers have been corrupted by shutter and glass replacement companies. We must deal with the supply side of the drug trade and the Penington report does that by recommending that people grow their own marijuana. It will remove the incentive for marijuana smokers to contact traffickers. Some people may regard it as a radical approach, but it has worked in South Australia - its society has not collapsed and the traffickers have been removed from the supply side of the drug trade.

People who are addicted to heroin must be given the option of being supplied with their drug of dependency so they do not need to undertake criminal activities. The lives of drug addicts are a combination of highs and lows - they need constant hits to satisfy their craving. Parliament must examine those countries overseas that have partially controlled the drug trade or consider the Australian Capital Territory experience. It may be that we will need to provide heroin under a controlled program.

We must ensure we have the best system in place for providing methadone to those who need it. Some drugs may allow people to go for 23 hours without

having a hit. We need a number of options so we do not throw people into the clutches of the drug traffickers. As a society we should embrace all members of the community.

In 1994-95, 385 000 people were reported to have smoked marijuana. I am told you can dial a dope deal in the suburbs.

It is now 9 o'clock at night. At 1 o'clock this afternoon, people were going off to lunch. If you were a drug addict hooked on heroin, you'd have to find \$80 so you could go into the underworld to get a cap. You would inject it. Now, at 9 o'clock, because the effects are wearing off, you would have to find another \$80, then go out there and have another injection to get you through the night. So many lives are destroyed through that process, and that becomes the only process for drug addicts.

Where would anybody find \$80 to get a hit at 1 o'clock this afternoon, at 9 o'clock at night, and again halfway through the night to get the next hit? That is the situation created by the current legislation in Victoria. That is what it means for a lot of drug addicts. We force them to find ways of getting their \$80. What do they do? They do burglaries. They prostitute themselves to make a quick dollar. They hang out with their mates and share dirty needles to get a hit. They mill around together and are forced to live in an underworld, in an under class, because of their addiction. It is extremely destructive.

I ask rhetorically: if your son or daughter or one of your grandchildren came up to you and said, 'I'm a heroin addict', what would you do - when that person is crying out for your assistance? Nobody is immune. It doesn't matter if you are part of the working class or the upper class, or a police officer. Nobody is immune to these types of influences.

Would you do your son or daughter in to the police? Is that what you would do to help him or her? In that way you would make that person a criminal. Maybe you'd get your child to tell you who the supplier is and then you would tell the police. But then you'd have to be looking around all the time, making sure that you weren't going to be done in, because we are talking about extremely powerful people. You can moralise and say, 'It's all bad for you; really you shouldn't be taking it'. But how would you protect your child? And a lot of these people really need to be protected.

How would you be supportive? Is it just a matter of giving the addict money when he or she needs it to get another hit? Some families do that but they run out of money very quickly.

What happens if the person is trafficking in the drug, to keep up the habit? Do you then give him or her the Singapore option - that is, do you put him or her in to the police and have him or her put away for 25 years? If you consider some of the propositions that have been put in this house and the other place, that is the life, the option - the only option - you would be giving that person.

What about the health needs of drug addicts? What about IDV? Part of the culture of taking drugs is sharing dirty needles. It is part of getting a hit. If you need a hit, that is, you're desperate, and somebody says, 'Have a pump of this', and you take up the offer, you are at great risk of getting IDV or, what is just as bad in many instances, hepatitis C or hepatitis B.

What would you talk to this person about? How would you tell him or her that he or she must be sure a condom is used when having sexual intercourse with one of the friends he or she is hanging around with because, more than likely, the friend will be infected with IDV or some other disease?

How would you explain to somebody - that is, your son or daughter or grandchild - that when he or she is prostituting himself or herself to get the next hit he or she needs to be sure to practice safe sex, that a condom should be used at all times, especially if the person is a male and engages in anal intercourse? How would you explain that?

I know I would find it very difficult to explain it. I would find it very difficult to make sure that my grandchildren were protected as much as possible from these types of ills if they got themselves into such a position. And it is easy for people to get themselves into this position - it's far too easy when the drug cartels are ensuring that heroin keeps flooding into Australia.

It's way too easy to close your eyes to all of this and to condemn people to a very short life and a very nasty death - or a miserable life. How do you save your children in such circumstances?

I have been to drug conferences where mothers have pleaded with politicians asking how to treat drug addicts because their daughters were drug addicts

and they saw what they went through. They saw the prostitution, they saw the lives they were leading.

I will recount a couple of personal experiences of mine. One concerns a friend of mine who had a brother we believed was a heroin addict. He used to go walkabout and we wouldn't see him for up to six months at a time. So we'd have no information on where he could be; there was no way of contacting him. We wouldn't know if he was dead, in gaol, committing robberies, or prostituting himself. The family had no idea where he was. During the months on end that he was out there, his sisters and his mother were just beside themselves.

When he finally surfaced and came home, his mother was in denial. She said things like, 'My son wouldn't be taking heroin. He's not like that'. They did not know where the money was coming from or what he did to obtain the \$80 a cap he needed for those 8 hours. How do we make sure that does not continue to occur?

One of the worst things about that case was that nobody could talk to the man about hygiene, sharing needles and using condoms. We believed his girlfriend was also a user. We had the terrible experience of not knowing whether he was IDV positive, and if he was, how to deal with it. How could his mother or his sisters deal with that? What could they do to help and support him? Those are issues with which the Penington report comes to grips.

Another situation that affected me personally involved my mother. My mum was born in 1920. Last year she was living by herself in her house in Ardeer. The de facto wife of my brother-in-law came to visit her with another friend and brought the kids along. Mum thought that was really terrific and, even though they were not her grandchildren, was happy to see this person and the children at her home. Mum went out to the back of the house to get some lemonade. She hobbled out with her walking stick, and it took her about 10 minutes to get the lemonade and a couple of glasses. When she came back into the lounge room she saw the woman at the wall unit and asked, 'What are you doing?'. The woman answered that she was just having a look at the photos, and Mum did not think any more about it.

The next day Mum went to pay her Medibank Private health insurance. There had been \$400 in that wall unit, but it was not there; it was gone. When Mum called me she was beside herself. Her own

home had been violated and she did not know what to do. I rushed over there from Melton. We had a chat about it and then called the police and filed a report—that is an experience in itself.

That experience shook Mum up so much that eventually she had to move to Melton. The reason the \$400 had been stolen and my Mum's house and personal belongings had been gone through was that the woman who visited was, and still is I believe, a heroin addict.

Addicts do not care whom they hurt. They do not care what they have to do so long as they get the money they need. My mum's experience really shook her up, and it shook me up too. These examples demonstrate the defects of the current legislation in Victoria. The addicts would do in their own families for a hit.

Honourable members have faced up to these types of moral issues before, considered them in a different light and gone through similar processes. The Neave report of 1985 dealt with prostitution in Victoria. Subsequently a change took place in the way prostitution was dealt with in Victoria; it is now dealt with more as a planning and health issue rather than a criminal issue. We have tried to take the criminals out of prostitution. The sky did not fall down. As a result of that change we have a much better and safer industry for the women and men involved. We have an industry, without the moralisation, that can deal with security, corruption, the involvement of minors, planning and the more rational and civil treatment of prostitution by society. So, changes have occurred in the past, and we can continue to make similar changes in the future.

I hope honourable members will continue to think about these issues. I hope we can move forward to become a civilised society that can challenge itself, examine the issues of the day and act rationally to ensure the harm is minimised. They have become buzz words, but we have to minimise the harm that drug-addicted people inflict on themselves. The Singapore option is no option at all. We have to consider these issues in a long-term and much more broad-minded and civilised way.

Debate adjourned on motion of
Hon. B. N. ATKINSON (Koonung).

Debate adjourned until later this day.

WATER ACTS (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

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

SUPERANNUATION ACTS (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

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

Second reading

Hon. R. M. HALLAM (Minister for Finance) - 1 move:

That this bill be now read a second time.

The purposes of the bill are twofold. Firstly, it completes the reform program outlined by the government in its first term. Secondly, the bill ensures conformity with certain commonwealth legislation as well as implementing changes required under commonwealth legislation and the agreement between the commonwealth and Victorian governments which covers the prudential supervision of public sector superannuation schemes.

Superannuation reform has been a major program of this government. This bill completes the reorganisation of schemes administered by the Victorian Superannuation Board.

Specifically, the Transport Superannuation Fund and the State Employees Retirement Benefits Fund are being merged into the State Superannuation Fund. Each of these defined benefits schemes was closed to new members on 31 December 1993. This merger will not change the eligibility for membership or any of the entitlements of members compared to the existing situation.

This bill also merges into the Victorian Superannuation Fund - an accumulation scheme - three closed accumulation schemes. Two of these schemes are for the associates of the Supreme and

County Courts, while the other is for former employees of Holmesglen Constructions.

These mergers are designed to facilitate administrative savings for the board as, for example, the number of sets of accounts and annual financial statements will be reduced. Efficiency gains in investment should also be achieved by pooling the assets, rather than separately investing the assets of each fund.

The Insurance and Superannuation Commission (ISC) has issued rulings that limit the period in which people can continue to contribute to a superannuation fund while on leave without pay and the circumstances where a fund can continue periodic payments to a person who is classified by the trustees of a superannuation fund as no longer disabled and is or becomes gainfully employed. This bill makes amendments to incorporate these rulings.

An exemption, under the Commonwealth Sex Discrimination Act 1992, expired on 1 March 1996. This exemption allowed a superannuation fund to exclude from cover for death or disability any person with a pre-existing condition at the time of joining the fund. This exclusion must now be confined to cases where insurance cover is not available at reasonable cost having regard to actuarial and medical statistics. The bill will ensure the rules of the new accumulation schemes are modified accordingly.

Our defined benefit schemes do not have this problem as there are provisions to offer restricted benefits with the right of members for a review of their medical and actuarial classification. However, our defined benefit schemes charge members a uniform rate irrespective of their age, medical, or actuarial rating when they are on leave of absence. The bill inserts amendments to require the board to charge a member based on an actuarial assessment.

In 1993, there was agreement in principle amongst the commonwealth, state and territory governments that public sector superannuation schemes would be exempt from the operation of the Commonwealth Superannuation Industry (Supervision) Act 1993. Regulations were made granting that exemption until 30 June 1996, pending the completion of a written agreement between these governments.

Such an agreement has since been signed, one which recognises the high level of supervision and accountability of our superannuation schemes. This bill enables the implementation of the agreement

and repeals a number of redundant provisions. The bill will enable the designated public sector superannuation schemes to be exempted from compliance with legislation administered by the Insurance and Superannuation Commission. These designated schemes will thus, pursuant to the agreement, be exempt from supervision by the ISC from 30 June 1996.

Conversely, a total of five superannuation schemes will be transferred to operate entirely under commonwealth legislation and the ISC's supervision. The rationale for these transfers is that

- (a) employees and employers in these schemes are predominantly engaged in commercial activity, or
- (b) the employer is predominantly financed by the commonwealth Government, or
- (c) the employer receives money from the Victorian government in the form of a grant.

The bill contains amendments to enable the trustees of five selected superannuation funds to make a valid election to become regulated by the ISC from 1 July 1996. After that date, and a valid election has been made, these funds can no longer be subject to any direction or oversight by Victoria. The bill provides for certain employees or beneficiaries to be moved between funds before 30 June 1996, so that they are in the appropriate fund.

The bill makes a number of changes to the parliamentary superannuation scheme. Consistent with the agreement with the commonwealth government, the organisational structure of the trustees has been changed so that it operates like the governing body of any other superannuation fund. Under current arrangements, the annual contribution to the fund from the consolidated fund (employer's contribution) is actuarially calculated every three years on a 25-year horizon. This arrangement rolls forward the date of full funding so that it is never achieved while the fund remains open. This bill sets a specific date (30 June 2015) for full funding and thus stops the roll-forward effect. Once full funding is achieved, an annual contribution will be made to maintain that status.

Those members who reach the point of 20.5 years service do not receive any further retirement benefit for service beyond that point, and under the bill will be excused from further contributions (except that related to any salary as office holder). The current entitlement to a pension arises only after 15 years service unless good and sufficient reason applies. Under the bill a member can now receive a pro-rata

entitlement after 12 years provided that such a retirement does not require a by-election (except one coinciding with a general election).

The bill also broadens the regulation-making provision of the Parliamentary Salaries and Superannuation Act 1968 to allow regulations to be made for the purpose of providing articles, vehicles, equipment or services to members of Parliament.

I commend the bill to the house.

Debate adjourned for Hon. T. C. THEOPHANOUS Oika Jika) on motion of Hon. M. M. Gould.

Debate adjourned until next day.

BUSINESS OF THE HOUSE

Sessional orders

For Hon. R. M. HALLAM (Minister for Finance), Hon. R. I. Knowles (Minister for Health) I move:

That so much of the sessional orders be suspended as would prevent new business being taken after 10.00 p.m. of the sitting of the Council this day.

Motion agreed to.

GOVERNOR'S SPEECH

Address-in-reply

Debate resumed from earlier this day; motion of Hon. B. C. BOARDMAN (Chelsea) for adoption of address-in-reply.

Hon. B. N. ATKINSON (Koonung)-1 will take the opportunity at the outset to suggest that the only talk about branch stacking I might get involved in is to discuss a pine tree that I took down recently and performed some sort of an exercise on. During the contributions of Mr Forwood and Mr Nardella, I was not sure I was in the right debate. But anyway I --

Hon. Pat Power - On a point of order, Mr Deputy President, I find Mr Atkinson offensive and I ask that he withdraw.

Hon. K. M. Smith - From the chamber!

Hon. Pat Power - Absolutely.

The DEPUTY PRESIDENT - Order! I take it that that was a frivolous point of order, Mr Power?

Hon. B. N. ATKINSON - Vexatious, I would have said. He did try it out on me earlier and I was amenable to it, although we were talking about different speakers.

I take this opportunity to extend my congratulations to the President on his re-election to the office as the principal chairman of this chamber. I think he did a remarkable job in his first period in the Chair. He was certainly a great support to the new members who came into this place and had to learn the procedures and generally how to participate effectively in the debates and on various deliberations of this chamber. I look forward to his continued support from the Chair of members of this place, particularly the newer ones who have joined us after the most recent election, and congratulate him on obtaining that office again.

I also extend congratulations to you, Mr Deputy President, on your election. On thumbing through a copy of *Hansard* I noticed the point made by Mr Power that you had fairly big shoes to fill in those of the former member, the Honourable David Evans, who did a very good job as Chairman of Committees, and who was certainly known for his fairness - and again, his guidance to the chamber - as much as anything else. We know that on the occasions that you have taken the Chair in the past, you have done an excellent job. We look forward to that continuing.

I extend congratulations to all those who have been elected as ministers, and to those who have been elected as shadow ministers. They obviously all have significant roles to play in the deliberations of this house. I am particularly delighted to see my colleagues the Honourable Louise Asher and the Honourable Geoff Craige elected to their respective ministries. I think they have both worked extremely hard in the past three and a half years in the first term of the Kennett government. I think their positions on the front bench are richly rewarded and I know that they will play a key role in the continuing success of the government through their work in their particular ministries.

I extend particular congratulations to and look forward to working with all new members, but particularly those who join me as coalition colleagues. Like Mr Nardella and other members I was most impressed with the inaugural speeches of new members and their thoughtful and constructive

contributions in last Friday's important and historic drug debate. It is obvious the considerable range of expertise and experience of new members will ensure they contribute to improving the work of this house and lead to better outcomes for the people of Victoria. I welcome all new members.

I am disappointed that some of my coalition colleagues retired at the election and genuinely sorry that some Labor Party members departed without many of us having the opportunity of acknowledging their contributions. In that context I acknowledged their departure by writing to them all personally and congratulating them on their service. Notwithstanding the fact that we often line up on different sides of the fence on many issues, as members of Parliament we all share a great deal of common ground in really wanting what is best for Victoria and Victorians. We may have different ways of achieving those things but we really all have the same objectives, and each of those former Labor members has every right to be proud of his or her achievement in this place.

My former coalition colleagues all chose to retire. The context in which I most regret their departure from Parliament is that each of them in his own way contributed greatly to my understanding of Parliament and my growth as a member in my three and a half years in this place. I found my colleagues very ready to extend advice, counsel and support. I appreciated their help and hope I can reciprocate on their behalf by assisting new members on both sides of the house. That is the way this house has always operated and it is to be welcomed.

I am in the fortunate position of being selected by the Premier, perhaps with some input from other ministers, to take up the position of Parliamentary Secretary, Planning, working in the areas of planning and local government. I obviously welcome and feel humble about being chosen to take on the role of parliamentary secretary. Clearly many people on this side of the house could have done the job in this and other portfolio areas of government as well as, if not better than, I. However, I have a background in local government, and through business and a local government role as a consultant I have been involved in planning matters, so I have some enthusiasm for the planning and local government area and an appreciation of the challenges it presents for the state.

The government has an enviable record through its reform program and sound economic performance - a record probably without parallel in Australia

during at least the past two decades and probably longer. The government has recorded a remarkable achievement in this state. Mr Nardella spoke about a couple of policy areas and lamented that progress was not achieved at an earlier stage in reaching solutions on matters such as gun control, the drugs issue and other aspects of social policy. It is to the government's credit that it has been able to take on and engage in constructive and vigorous debate on those sorts of issues.

In addressing those issues the government has been able to encourage the community to adopt positions that were perhaps outside its previous experience and to think in a way that went beyond the areas in which it might previously have felt comfortable. It is also to the credit of the opposition that Labor has approached some of those issues responsibly, particularly drugs and guns, and has supported the government in ensuring effective change is brought about in the interests of the broader community.

I am particularly pleased to be involved in local government because the major restructure of local government as part of the government's reform process has put local government on the threshold of some significant opportunities for the future. The direct benefits of the first Kennett government reform program will be felt for at least 40 or 50 years. I was keenly interested in and supported the reform program in local government undertaken by the Minister for Finance when he was also Minister for Local Government in the last Parliament. He did a remarkable job and is to be congratulated for achieving such a significant change in the culture, outlook and structure of local government, and for the integrity with which he conducted the process.

The minister was assisted by the former chairman of the Local Government Board, Leonie Burke, the new member for Prahran in another place, and other members of the board. I welcome Leonie Burke to the ranks of coalition members of Parliament. Her involvement in local government reform has proved she is extremely capable and I feel sure she will make a valuable contribution to the government.

The work done in local government will bring enormous and widespread advantages to Victoria in the future yet future elected councils might not immediately recognise the opportunities presented by the reforms that have taken place. I am not sure those already in place have yet set their sights high enough or have realised the tremendous new challenges that will face local, state and federal

governments. I do not think they have yet realised they now have the structure and the capacity to address and embrace changes that will enable them to deliver services more efficiently, more effectively and with a greater level of response to the actual and emerging community needs as we approach a new millennium, and as people change their lifestyles and needs and there is an associated change in demographics.

The Minister for Planning and Local Government, Rob Maclellan, in another place will continue the pace of reform in local government and I look forward to working with him. During the weeks I have been in my current role it has been a pleasure to work with the minister, and it will continue to be so, because he has had tremendous experience in Parliament. He has held a number of portfolios and I cannot think of a better minister to learn from. I am confident that process will continue.

The portfolio of planning and local government includes the planning area for which the minister was responsible during the last Parliament. He had considerable achievement by creating greater consistency and certainty on planning issues in this state. Significant change has occurred in a number of planning zones and in the thinking applied to facilitate appropriate development rather than regulate and stifle opportunity. It has been recognised that planning has a key role to play in the economic life of the community, which is being used in almost every instance for the benefit of Victoria. I look forward to that situation continuing.

The ministry deals with other areas that are exciting for Victorians, such as the completion of Parliament House, which will be the subject of legislation to be dealt with by this house during this sessional period and for which appropriation has been provided in the bill introduced in the house today. It is an exciting landmark project. Facilities in Parliament House need to be improved, and as more people visit this place and see members' offices and facilities they will recognise that, in order to provide effective administration, Parliament House should be completed.

One thing that is sometimes not recognised is the importance of a building such as this for tourism in terms of its historic and architectural value. Melbourne has some of the best intact examples of Victorian architecture in the world. It has been recognised that Parliament House should be preserved, refurbished and expanded to accommodate the needs of a modern state.

Another major project dealt with by the ministry is the Federation Square project, which will mark Victoria's important contribution to the formation of the commonwealth. It is a significant contribution and it is an important project. The project involves the demolition of the old Gas and Fuel towers, which will continue the rediscovery by Melbourne of the Yarra River environs with their links to the central business district. It will establish Melbourne as one of the world's greatest cities. Projects such as the aquatic centre and the museum project, which is about to start in Carlton Gardens, will re-establish Melbourne's importance and they are projects of which all Victorians can be proud.

Another important project is the Docklands project, which covers an area about the size of the CBD. It will bring the Melbourne waterfront into the CBD, and it has exciting potential for a range of developmental uses. After expressions of interest close on Friday, I expect that, as they are evaluated and become known to the government and to Parliament, the developments will create more jobs and more opportunities for Victorians. They will contribute to the cultural, perhaps sporting, commercial and residential life of the city.

The City Link project - which I will not dwell on as it will be debated in this house during this sessional period - is a major infrastructure project rather than simply a roads project. Not only will it link the roads that are strangling Melbourne with their impossible connections but also it will revitalise the port and obviate the need for a second airport in south-eastern Melbourne because it will make the existing airport more accessible more quickly for the people of Melbourne.

The City Link project will return residential streets to the residents in the inner-city area, and that has been overlooked by many people. In many areas traffic runs through residential streets that is not wanted or needed. The project gives those streets back to the residents and it will be a catalyst for urban renewal.

All the projects on the government's agenda - some that are coming to fruition and others which are about to commence in the second term of the Kennett government - have the effect of generating more private sector investment. Business confidence in Victoria is high compared with other states since the Kennett government was elected, and that is reflected in the investment in a wide range of projects. Despite the fact that the national economy is still not robust, it is recognised that Victoria

provides opportunities which make it worthwhile to invest in the state. Obviously that attracts new enterprises for the state and creates more jobs.

The Kennett government's achievements in its first term were significant. Those achievements included a reduction in unemployment from 12.8 per cent in 1992 to 8.6 per cent in 1996; the creation of some 200 000 private sector jobs and a net gain of 150 000 jobs; a decrease in hospital waiting lists; an increase in the throughput of patients in hospitals; and the reorganisation of schools, in many cases bringing the school system back into achieving balance between school populations and the demographics of a particular area.

A particularly important feature of the schools program is that the money was not simply lost. Many people believed the cuts in education and the school closures were simply budget cuts. As I have argued quite strongly on many occasions, many cuts were aimed at trying to rebalance the education system with the demographics.

Money saved from school closures has been put into school maintenance programs. Even teachers who have been fairly strong opponents of the government on a range of education issues have acknowledged broadly that the maintenance of schools has improved and many facilities have been upgraded significantly.

In Mitcham, one of the lower house electorates in Koonung, some \$8.46 million in renovations and school rebuilding took place in the first term of the Kennett government, and in all four lower house electorates in Koonung between \$14 million and \$15 million was allocated both for school refurbishment and for the building of new schools. Although the new schools tended not to get the same publicity as school closures they were part of the correction needed to place the facilities where the needs exist, and major upgrades of existing schools were sorely needed. When the government came to office it faced a backlog of some \$600 million in critical maintenance works that were required in schools, which had simply been overlooked by the previous government but have now been addressed by this government.

Economic growth has continued quite strongly in Victoria - in fact it was 3 per cent in 1994-95, a little higher than the year before - and that growth has continued despite a national economy that is not particularly robust. The government's fiscal management has brought about remarkable

achievements in restoring the balance of the budget. It has tackled the debt problem by wiping off some \$10 million worth of debt, thereby reducing the interest payments and restoring some credibility with a wide range of financiers, investors and so forth. That has had a positive impact on our interest rates. We must remember that the more money we pay out in interest on our debts, the less money we are able to direct to health, education and services in other areas. That has been a significant achievement of the government.

Business investment has grown by 25 per cent since the early 1990s. Much of that growth has come about because the business sector has confidence in the government's fiscal programs of tackling state debt and sharpening its services so that they are more keenly addressed to current needs rather than historic needs. That has been seen as an appropriate policy agenda for this government.

I welcome the federal election result. It is interesting that during the previous address-in-reply speeches the opposition was very keen to talk about the federal election result but I notice in the address-in-reply speeches on this occasion there has been no discussion of the federal election result.

At the federal election in recent times a coalition government was elected. I welcome the election of that coalition for a number of reasons. Obviously I have a parochial interest in having my party colleagues in government in Canberra. But just as important and significant, particularly for Victoria in the context of state government, are activities and policies of the federal government. These include the restructuring of federal and state government responsibilities.

The federal coalition has a preparedness to address the problem of duplication of responsibilities of governments and, therefore, a loss of accountability and, I suggest, a waste of taxpayer dollars in a range of policy areas where both governments simply should not be involved to the extent that they have been.

One such area is health, which has been the subject of some questions by Miss Gould to the Minister for Health about how some of the changes will occur. He has indicated to the house, as I understand from the answers he has given, that it is probably too early to say exactly how the restructuring of responsibilities will occur. Obviously a lot of discussion will proceed on that matter as there are financial, contractual and no doubt legal

implications tied up with some of those responsibilities. But we as a state government and as a Parliament should welcome this preparedness to address the overlap of responsibilities between federal and state governments.

I am particularly pleased also about the preparedness of John Howard to address the problem of international treaties. This was ridiculed by the federal opposition, which suggested it had always been the case and it really was not much of a breakthrough. However, I, along with most constitutional experts, consider it to be a breakthrough. Problems have been caused because a number of treaties have been signed by Australia without any real reference to the Australian people, the federal Parliament or any other houses of Parliament. The executive has signed international treaties and committed Australia to international obligations without those obligations having been properly debated in any house of Parliament or by the Australian people.

The fact that John Howard as Prime Minister is talking now about having the international treaties open to greater scrutiny by the federal Parliament and perhaps by state Parliaments and certainly by the Australian people is very significant. It is significant because the international treaties are being used increasingly by the High Court in the determination of some of its decisions.

International treaties are being used by the High Court to reach some of its decisions, in contradiction of existing laws that apply elsewhere. A number of state government laws have been debated before the High Court and the provisions of those state government laws have been overturned by the High Court on the basis of some of Australia's obligations under international treaties.

My concern about that - I will not canvass the particular issues involved - is that those treaties have not been appropriately scrutinised by Australians, yet they are being used to interpret law that has not been subject to at least the deliberations of a state Parliament. That is a very important matter and I hope the High Court will stop and think a little bit more about the role it has been defining for itself, which has changed from that envisaged in the constitution.

The High Court is consistently moving towards becoming a poor man's United States Supreme Court - where it is starting to make moral rather than legal judgments. Under the British or

Westminster system of Parliament there is an executive role, a parliamentary role and the Governor or the Crown involved in the creation and the passing of our law. In fact the role of the High Court is not directly equivalent to that of the United States Supreme Court and, therefore, the High Court has started to intrude on some areas that are perhaps not appropriate in the context of our legal system as we have known it. That needs to be thought through and examined.

In the context of those remarks on federal-state relations I welcome the appointment by this Parliament of the Federal-State Relations Committee, chaired by Michael John, and comprising members of this house and the Legislative Assembly. I welcome its composition as an all-party committee because I think it will have a significant role to play in assessing a range of issues that have an impact upon future federal and state relations. The members of the committee will need to play a fairly vigorous role in assessing those issues in the interests of Victoria.

One thing that has always interested me about people who shy away from the republican debate is that the debate is not about whether we have the Queen or the flag; to me the debate is about the form and structure of government we want in the future; whether we have both houses of state Parliament or whether we have state Parliaments at all; and the responsibilities and accountabilities of our various levels of government.

As part of that exercise we should think about the role courts play in determining law as distinct from making judgments in a more traditional legal sense. We should examine federal-state relations and pay more attention to the constitution. People say the constitution is working. I cannot recall the Senate, the state's house, having voted on state rights for many decades. One would have to go back a long time to see when the Senate voted on state rights. It is voting in a different way to when it was conceived at the time of the writing of the constitution.

We need to think differently about the provision of services. The Kennett government has been at the fore in reworking a range of government services and issues coming before it and in challenging whether benefits are being delivered effectively or whether we are protecting structures for the sake of it rather than meeting the needs of people.

We have been good at challenging concepts - an important role of the Kennett government - but we

need to go further and do that in other areas. A particular area of concern for me is TAFE education. I become annoyed when I see TAFE facilities being established throughout the state. I have discussed this issue with the Minister for Tertiary Education and Training in another place - it is a pet hate of mine. I am concerned that in developing TAFE education we look at it in terms of specific-purpose buildings. I believe TAFE services could be delivered well in secondary schools that have facilities available that are not used at night. We should look at the way people have access to education rather than the provision of buildings. We can do better with our established facilities and taxpayers' dollars. We do not have to say that we cannot do this or that because of the lack of federal or state funding; the taxpayer is funding the cost of these things.

At a forum I conducted on the drug issue with some of my constituents, including teachers, we talked about having extended hours for secondary school students in secondary schools so that the facilities could be better utilised. Some children may prefer starting school at lunchtime and staying until 8 o'clock in the evening so that they can sleep in in the morning - I empathise with those students.

In the same way we can look at the delivery of health services where new technology, new procedures and new drugs have revolutionised the way we treat a range of medical problems. Although some clever tactics are being used in the health debate, there is a lack of appreciation of the impact technology has had on the number of beds and facilities we need and, as with the TAFE argument, we need not lock in on buildings but rather the delivery of services to people.

I am keen to see the development of further business opportunities, and the Kennett government has been proactive in developing new opportunities resulting in new jobs for Victorians. A number of international blue-chip companies, including the Olivetti company, have chosen Melbourne as their regional headquarters. Melbourne is often referred to as the gateway to Asia. Many people have spoken about that, but I have a concern about the mind-set in this area and believe we should think more broadly. Victoria should be seen as the gateway to the west for Asian countries wishing to expand in the opposite direction.

I am concerned about the way we view the European Community and Europe as a market. For too long we saw the gateway to Europe being

through England and while that country vacillated about joining the European Community we waited and lost markets in that community. We should not see only England as the gateway to that market but also Greece, Italy, Holland and a number of other countries whose people have settled and are living in Victoria. Turkey is another country that could be viewed in that way, especially if it gains membership of the European Community. Melbourne has the third largest Greek population of any city in the world, so we have the opportunity of exploiting the skills of those people by looking at Greece as a gateway to the European community.

In the same context I commend the government for its investment in research and development. The Minister for Industry, Science and Technology announced a \$6.3 million program for expanding Australia's innovative industry program that included support for the Strategic Industry Research Fund and cooperative research centres that assist small to medium enterprises to develop new and innovative products.

I am pleased at the development of some projects in my electorate which are continuing to receive the government's attention. The Boronia police station is operational and will be opened shortly. It is a significant facility serving Boronia and the surrounding area of Knox. Ringwood courthouse is effectively completed and is a significant upgrading of the court facilities in the eastern suburbs. I hope the facilities at Box Hill and Ringwood, although outside my electorate, are addressed because they help serve the needs of many of my constituents.

I mentioned earlier the schools and roads that have been upgraded within the municipality. Monash Highway and Wellington Road have been upgraded - the Minister for Roads and Ports referred to them this morning - and Stud Road and the Eastern Freeway are being upgraded.

Programs announced by the Governor such as the hospital in the home program, the community carers package and the youth prevention program will benefit my electorate.

I conclude with some brief remarks on the drug debate. I was not able to speak on that issue the other day because of time constraints. The work of the Premier's Drug Advisory Council has been pivotal to community understanding of the drug problem and to the actions we take in addressing what most of us agree is a debilitating problem that undermines the potential of individuals and our

community. The media coverage in Footscray, the genesis of the Premier's initiative, and the subsequent press coverage of events in Dandenong were significant. No-one can be smug about this issue, as I think Mr Nardella said, because drugs do not respect geography or social status.

Drugs are an issue for all members. That was acknowledged during last Friday's debate. I do not want to canvass the issues, but there were many thoughtful and well-researched presentations.

I conclude my speech with a broader reflection, and that is to suggest that the drugs problem is not a problem in itself but in many ways a symptom of a much broader problem - 20th century living, if you like. We human beings have become extremely clever and we are capable of achieving many things. But I am not sure that our emotional capability has kept up with our cleverness and intellectual achievements. Many people feel isolated or anxious; they lack confidence, self-esteem, or any sense of self-worth.

There are no political points to be scored in the area, but there are certainly political challenges. The Penington report and my consultations with my colleagues Gerald Ashman in this house and the honourable members for Wantima and Knox, Kim Wells and Hurtle Lupton, in another place underline that the drug problem is not a government problem at all; it is a community problem. I do not believe the government can fix the problem. We can show some leadership. We can reallocate some community resources to support drug programs. We can influence and sponsor the education programs that are outlined in the Penington report. We can change laws and penalties if we like, and we can crank up or subdue our law enforcement.

But we cannot fix the problem without community commitment and involvement. Drugs are part of a culture of misery. They are obviously involved in prostitution, crime, and family breakdown, as Mr Nardella mentioned again tonight. However, we can't just buck-pass that responsibility to others. The community can't buck-pass that responsibility to government.

In that context, I have real concern about the education programs that have been universally supported in the responses to the Penington report. Programs in schools will not change attitudes to drugs if they are expected to carry the education program alone. They cannot do it. It is not possible.

Even if we have programs running in schools on a continuous basis, it will not happen.

One of the things I learned very early as a parent is that you cannot tell a child one thing and expect him or her to follow that direction or instruction if by example you do something else which contradicts what you have said. You cannot have people hearing one message in schools and going home and seeing entirely different behaviour that challenges what they have been taught

We need to look at parents, the community and a whole range of education processes, not just at what is going to happen in schools. I guess that begs the question: whom do we educate? Do we educate young people, or do we educate parents on their roles and responsibilities? If we target all our education just at young people, we will miss the boat, we will not succeed. So we need to look a lot further.

The drug problem is a massive problem. We cannot take a piecemeal approach to it. It would be futile for the government to take action if there is no community ownership of the problem and a preparedness to share responsibility.

Hon. JEAN McLEAN (Melbourne West) - The Governor said in his speech that the government has promised continuing emphasis on:

reduction in state debt and debt-servicing ratios to a level consistent with the restoration of Victoria's AAA rating; and

ensuring Victoria has the infrastructure needed to attract new business and make the economy more productive.

But in the words of a well-known politician, what does it all mean? Economic growth is steady and inflation remains low, so why is it that all our economic advisers at all levels of government insist on more cuts and continued staff reductions? Why do we pay bonuses to highly paid executives to sack even more people?

In the United States economists are beginning to question the ability of companies to expand because they have shed so many of their experienced staff. People from the International Monetary Fund and the World Bank, and now President Clinton's chief economic adviser, have warned the federal Treasurer, Mr Peter Costello, against cutting government spending in areas such as research and

development, education, training and labour market programs, as well as in other government investments.

Instead of heeding these warnings, the state government, along with its federal counterpart, continues with the rhetoric to justify cost cutting. It is all-pervasive. There are no other goals. The people in my electorate of Melbourne West, where unemployment is the worst in Victoria at 18.6 per cent and youth unemployment is much higher, want to know from this government: when we will see genuine job growth.

Last Friday we had a civilised debate about drugs and many members opposite said we must find the underlying reason for drug taking and drug addiction. I suggest we can start by acknowledging that unemployment equals low esteem, and that this, while by no means being the only reason for drug taking, is certainly one of them.

The government still ignores the need for higher living standards for the majority of wage earners, let alone the unemployed. We are told that the deficit can be offset only by spending cuts - why not by increasing revenue, even by raising taxes, from our new class of super salary earners and Victoria's own super rich? I wonder what level of tax is paid by Richard Pratt out of his \$1500 million, or out of the Smorgon family's \$1000 million, or out of Elizabeth Murdoch's \$6000 million?

Hon. R. I. Knowles - They are all supporters of yours!

Hon. JEAN McLEAN - That doesn't make them pay any more or less tax! I wonder how much tax is paid out of the Grollos' \$350 million, or out of Lindsay Fox's \$330 million?

Hon. R. I. Knowles - Lindsay Fox! Can you nominate a Liberal?

Hon. JEAN McLEAN - I am talking about their taxes, not who they prefer - to say nothing of the new boys on the block. Now here come some of yours! Lloyd Williams, with his \$250 million, and Ron Walker with \$190 million - how much tax do they pay?

Hon. Bill Forwood - Pretty soon Bob Hawke will be up there!

Hon. JEAN McLEAN - I hope he pays taxes, too!

Hon. M. A. Birrell - You've been reading BRW again!

Hon. Bill Forwood - You were checking your own share prices!

Hon. JEAN McLEAN - I never have to check share prices, but I did read BRW because it said on the front cover that it had a list of the 200 richest people.

Hon. R. I. Knowles - Did you make it?

Hon. JEAN McLEAN - Not quite.

Hon. Bill Forwood - But you're not far away, are you?

Hon. JEAN McLEAN - Well, the way you are going, with all our special treatment, we might do better. What studies have been done to measure the true financial and social costs to the people who have been made redundant and to the community as a whole? Has the sacking of permanent workers improved our economic base, or have the savings been spent on contracting out, just pushing the costs on to a different balance sheet?

What studies have been done to measure the effect on society of the people forced into part-time and low-paid employment? I wonder how much intellectual wealth we have squandered by forcing people onto the scrap heap. Competition and privatisation are supposed to ensure good business practice and performance. I am sure this is possible in some instances. But competition and privatisation have also caused the slave labour conditions in the clothing trade in my electorate. Companies are manufacturing clothes cheaply so they can compete with the sweatshops in Third World countries.

The electorate is very cynical about the continued demand for cost cutting because there appears to be no goal except more of the same. The means not only justify the ends, they are the ends!

Hon. R. I. Knowles - The Kennett government is soft and caring this term.

Hon. M. A. Birrell - We have just put spending up.

Hon. JEAN McLEAN - As soon as it affects my electorate I will congratulate you on it. The biggest growth industry in this state is gambling and the related trades of prostitution and pawn shops.

Hon. R. I. Knowles - You introduced prostitution legislation, we didn't.

Hon. JEAN McLEAN - I am not saying there should not be prostitution; I am saying it is growing at a great rate around the casino.

Cash Converters alone has 135 stores in Australia, 23 of them in Victoria, turning household goods into cash for gambling. The money that is going out of the pockets of ordinary citizens into the pockets of Lloyd Williams and Ron Walker is non-productive wealth. It is money that is no longer being spent on clothing, food, housing and furniture.

The money spent on pokies and gambling is destroying employment in other industries. The skills that are being lost are not being replaced by the sorts of jobs created in the gambling dens. The town of Moe, where 6000 people lost their jobs through the privatisation of the SEC - -

Hon. R. A. Best - David White had nothing to do with that!

Hon. JEAN McLEAN - I didn't say that. The town of Moe has become prey to the poker machine kings. Boredom and distance from the city means that people have nothing much else to do except hang around the clubs and pubs. Thanks to Tatts and Tabcorp, Moe has the dubious distinction of having the highest number of per capita of gambling venues in this state.

It is not accidental that gambling machine operators go to working-class areas. They know that is where they are most profitable. Footscray is another major target. There are three times as many gambling machines and venues in areas of high unemployment as there are in middle-class suburbs. If you see no hope of getting wealthy from employment it seems quite logical to try to get wealthy by cracking the jackpot.

Anecdotal evidence about the destruction of families through gambling is piling up, especially from charities that are coping with the homeless and with food shortages. Although today's newspapers report a slight uncertainty about exactly how minister Rob Maclellan used the term 'crass' when referring to the gambling industry - some suggest he was referring to the people who went to the gambling places - I completely agree with him that the gambling industry and the casino are crass.

Hon. K. M. Smith - This is the thing you wanted to introduce. We are still operating under the same legislation.

Hon. JEAN McLEAN - It was never supposed to be anywhere near as big as it has become. It would not seem unreasonable to expect that the taxes the state earns from the profits of the non-productive gambling culture - profits which, I might add, would have been \$174 million or more if we had charged \$259 million instead of \$85 million for the extra 150 gaming tables that were granted to Crown - could be spent on creating productive employment for those whose pockets are being fleeced. That could be one way we could attract new businesses and make our economy more productive. At present both part-time and full-time job numbers are dropping in Victoria. We are not gaining more jobs, we are losing jobs.

Our common wealth is being sold off to the private sector and our public services are being decimated. That is obvious in the area I come from. At the same time, the services to our most vulnerable members of society, the physically and intellectually disabled, are diminishing. The Burdekin report highlighted the California Inn, a private hotel in Footscray, as a dumping ground for the people it houses - a mixture of single parents, children, unemployed, drug addicts, pensioners, intellectually and physically disabled, and older people with chronic illnesses. The place has 120 small rooms and has inappropriately qualified and insufficient staff. I have mentioned the place before in this house.

I went to the California Inn again last week to see whether there had been any improvements for the people or to the place. The name has changed; it is now called Western Terrace supported accommodation and the owners are now paid a subsidy by the government, but nothing else has changed. The staff are still inappropriate - that is not their fault, by the way. More intellectually disabled people are being placed there by psychiatrists than was the case before. It is a dark, dank, smelly and depressing place and it is an indictment of this government that it is still being used for people who have every right to expect to be looked after and protected.

I do not know whether the minister for health and aged care has ever visited this place. I believe he is a compassionate man; if he went there and saw the conditions he would act very quickly to ensure the people living there were given other forms of support and accommodation.

A report in the *Age* of Saturday, 18 May, listed other similar places - for example, in Holden Street, North Fitzroy, where Justin Manzie received burns to 35 per cent of his body and where there was no support to assist him; and in Errington Road, St Albans, where a resident was left in a bath for so long that the bathwater was cold and he used it as a toilet. The article lists other places as well. I shall not mention all of them, but each sounds very similar to the former California Inn, which is an absolute disgrace.

On top of this, we have the tragedy and scandal of the Kew Cottages. As soon as the shock, horror and shame of the unnecessary death by fire dropped from view, so did the will to make changes. Suitable accommodation and support must be provided in the community for those with special needs. There was no mention in the Governor's speech of the ongoing neglect of our children in care. Since 1994 there have been 36 deaths from suicide, abuse, murder, overdose and train surfing. Mr Justice John Fogarty has constantly highlighted this problem. A committee has been set up under Professor Glen Bowes who, upon looking at the report of the 36 deaths, said that the death rate in care is no higher than usual and:

The average of 12 to 15 young people, including state wards, have died each year 'for many years'.

The head of the committee is also reported as saying:

... all the deaths were unacceptable and tragic, but he did not believe there had been a 'worrying' trend in those numbers ...

There may have been no worrying trend to him, but I believe there should have been some mention of this problem because it involves what is, or should be, our greatest commitment to our greatest responsibility - that is, the young and vulnerable people who have no other means of support but ours. Surely, if we put people in care, the state is in charge of those children. The state replaces the parents and has the same responsibility as parents. I wonder what people would say if parents said, 'Oh well, I've only lost a couple of my kids over the past few years, and that is the average, therefore it doesn't matter!'.

The capital works promises are only for the big glitzy numbers: City Link, which will cost us \$100 each up front before we can drive on it; the Regent Theatre; the new museum, which is being planned in the wrong place - in the middle of a park;

Constitution Square; and the Docklands - both important projects. I agree with Bruce Atkinson - they are important projects. But even these should ring alarm bells for those who love Melbourne, because Melbourne is a beautiful city. It is noted for its parks and gardens, and it has a beauty that was carefully planned by our forefathers. Unfortunately, not all those who have followed have respected that plan of Melbourne. Many areas have been degraded by lack of foresight. We now have the opportunity to rectify some of the problem areas. Constitution Square and the Docklands should be developed sensitively to enhance this city. We can create beautiful spaces, commercial and public buildings and parks and living areas beside our rivers. To do this on an area of land as big again as the heart of our city needs careful and expert design and public input.

What guarantee do we have that our city will not become a continuation of the casino debacle, with changes to height, shape and content being allowed after the contracts have been let and a complex that jumps roads and the river? They have just added a 1500-seat live theatre to this city within a city; 24 cinemas; countless restaurants; half a kilometre of shops - we need another half a kilometre of shops; and fun parlours for the under-age kids, training grounds for gambling when, or if, they grow up. They get trained in the little junior one before they go into the big one!

This city was known as the cultural capital of Australia. If the government really thinks another huge live theatre at the casino is viable, how about getting serious and investing the sort of money necessary to support the talent to produce great Australian theatre - the composers, the musicians, the actors and the writers?

Hon. Bill Forwood - Like *The King and I*?

Hon. JEAN McLEAN - Exactly not like *The King and I*. I am talking about Australian theatre -

Hon. Bill Forwood - It has just won four Tony awards on Broadway!

Hon. JEAN McLEAN - All right, that is one thing; I am talking about our writing, composing and acting. We always have to do somebody else's. That is good, and I am not knocking it, but the composers, musicians, actors and writers are all needed if you want to keep the theatres open and keep the lights on in these grand edifices, rather than just bringing in American extravaganzas - of

dubious value, a lot of them - w h e n all we do is line the pockets of the foreign entrepreneurs.

At the moment we still treat our talent shamefully. Most of our actors are lucky if they earn \$12 000 a year. They might earn good money when they are in a play, but most of the time they are unemployed. And that goes for all the artist fields, which I am sure you are aware of. But when a professor of architecture from Melbourne University asked to see the plans of the casino project, our eccentric Minister for Edifice Control, the Honourable Rob Maclellan, told him the public could not see them for security reasons. The casino had to keep the gangsters out. Some people might be churlish enough to suggest that they are the ones who are building it!

In line with what happens in other places that have been turned into tourist destinations rather than living cities, I wonder how long it will be before the citizens of Melbourne will be instructed to wear their native costumes and sing *Waltzing Matilda* to greet the multitudes.

Hon. Bill Forwood - It sounds like Cuba.

Hon. JEAN McLEAN - No; it sounds like Fiji, it sounds like all the Pacific islands where we have indulged them with our tourist trade and demanded fancy hotels - w h e r e there has been a complete abortion of their culture to impress tourists.

Hon. Bill Forwood - Hey?

Hon. JEAN McLEAN - It is. They have plastic grass skirts at the waterside and sing songs that have nothing to do with their true culture at all.

There have been reported suggestions for the Docklands of abominations like Disneyland and a mile-high golden phallic symbol; seriously, if that building were built and filled with tenants it would empty the rest of the city. Does anybody who says, 'Isn't it wonderful to have this huge high building?' ever think what the hell would be done with it? How come the Docklands Authority is running around the USA asking for expressions of interest? It has done that, and I believe it is closing it on Friday - all this, with no publicly approved plan? We don't have an image of the city and of the Docklands. We just think, 'Oh beaut, we'll dump a Disneyland here and a phallic symbol there, and whatever any entrepreneur wants'.

What we have at the moment is the Marriner vision, the Grollo vision, the Lloyd Williams vision, the

Honourable Rob Maclellan vision. In the *Herald Sun* on Wednesday, 22 May there was an extraordinary quote by the minister that the number of rooms in the new hotel proposed for the centre of the city would eclipse the 1000 rooms planned in the \$1.5 billion casino hotel and entertainment complex. This, he said, was to allay the fear of Melbourne city councillors, business groups and retailers that the city is becoming split.

For goodness' sake, what about the fear of oversupply? And now we are talking of turning the post office into another hotel. But not worried about such minor considerations, our fearless minister said that the final approval for some hotels was being held up by concerns about height and overshadowing by the CBD penthouse height freaks and shadow spooks. The minister obviously believes his judgment is unassailable. He will brook no challenge.

The article goes on to tell us that the government wants to upgrade Queensbridge Square into a fitting gateway and is considering making Southbank Boulevard end in the casino basement car park. The minister also said that the Southbank interchange will be the most complicated interchange ever - the mind boggles at the possible outcomes!

One can only hope that it is not too late to take a deep breath and call for a competition to get the most expert town planners available worldwide to ensure that major developments will enhance and not destroy Melbourne. We need to do that if we still want Melbourne to be known as the most livable city in the world; otherwise we had better join forces with the penthouse height freaks and shadow spooks!

Hon. C. A. STRONG (Higinbotham) - In speaking in the debate on the motion for agreement with the address-in-reply to the Governor's speech, I add my congratulations to you, Mr President, on your re-election. Everyone here believes you do a very good job and service the chamber well.

The Governor's speech dealt with the program of the new government subsequent to its recent election. A key issue worth reflecting on is the scale of the government election win - the way the government was able to appeal to people, discover what they required and feed that back. Political parties need to be in tune with and able to read the community. The contributions of members opposite in the debate demonstrate there is no doubt Labor is totally out of tune and cannot read the community at

all. For the sake of democracy it is important to lay that out so that opposition members can see the error of their ways.

Labor's position was reflected in what Mr Forwood said earlier when he touched on how even the opposition's own people, particularly Mr Steedman, wanted a purge of members opposite. That is a classic example of how even Labor's own believe opposition members who are so clearly out of touch need to go.

We again saw that desire for a purge in various articles and press statements leading up to the Australian Labor Party's state council in April of this year. Mr Wally Curran, who is well known in Labor and union ranks, is reported as stating that the party's policy commitments have become out of date and its representatives consist of a small cabal of like-minded individuals. Labor's fundamental problem is that it is just looping on its own rhetoric, and we have heard it again and again. Opposition members are caught in a time warp. They have an historical view of class relations and a class-warfare way of thinking that are no longer relevant to and ignores what people in the community think and believe in. From their own mouths opposition members demonstrate an appreciation of this issue but have failed to do anything about it.

The fearless Leader of the Opposition in the other place, Mr Brumby, made some very telling statements when urging the state organisation of the Labor Party not to purge any of his colleagues - they revealed that even he probably understood part of the problem but was unable to do anything about it. He talked about how the party communicated only with inner ty professionals and not with the real people. What did he mean by the code phrase 'professionals who dominate the inner city'? I believe that means teachers, social workers and people who are clients and employees of the state.

The Leader of the Opposition went on to say how in the elections Labor had failed to make any headway with young home buyers, tradespeople and people living in the suburbs. Press articles on the state council quoted at length from a Mrs McLeod, who stood for the lower house seat of Mordialloc, which is in Higinbotham Province. Mrs McLeod was quoted as making some illuminating statements about the core constituency of the Labor Party, such as tradespeople. Mrs McLeod was saying that blue-collar workers did not vote for Labor because they were getting jobs from the reforms of the Kennett government. She went on to say that young

people do not see Labor as relevant. That is one of Labor's alleged best campaigners admitting that young people do not see the Labor Party as relevant. All that highlights the failure of Labor, its fundamental inability to relate and its prehistoric class-warfare rhetoric.

Does Labor represent the people or the union movement? When you look at members opposite it is clear at least that they represent the union movement, yet their links with the union movement are collapsing in front of them. The New South Wales Trades and Labour Council recently conducted research into its membership and made some startling discoveries. For example, the survey showed that one in five union members would quit the union straight away if closed shops which force them to be in unions were abolished.

Hon. D. A. Nardella - Who did this research?

Hon. C. A. STRONG - The New South Wales Trades and Labour Council - y o u r own people - found that if they set their members free 20 per cent of them would desert the movement instantly.

Hon. D. T. Walpole interjected.

Hon. C. A. STRONG - Y o u are right, they would not be your people, they would be normal people. That survey also found a much higher satisfaction with unions in the white-collar and professional areas compared with blue-collar and working-class areas. Again we get the linkage Mr Brumby alluded to after the election that it is the professionals, the inner-city, white-collar people who support Labor. The people Labor members go on continually about with their class-warfare rhetoric deserted Labor long ago and unless the Labor Party can come grips with what those people want it will be in the wilderness forever.

All those things are extremely relevant. Lindsay Tanner, one of the key people in the ALP, analysed the demise of the Left in the Labor Party. I do not believe his solutions are of substance, but it is illuminating to hear someone from the Labor side rejecting the class-based rhetoric that members opposite rabbit on about! His article in the *Australian* of 26 December 1994 states:

The economic model which once clearly distinguished the Left from the Right has been devastated by economic internationalisation and changes in the production process. Marxist economic analysis was built on mid-19th century Europe, a world of landless

peasants and factories full of blue-collar workers. Even in mid-20th century post-war Europe, the state socialist model worked quite well: the East more or less kept pace with the West economically. In a shattered world fighting to satisfy basic needs, state socialism was just as effective at providing huge concrete apartment blocks and smokestack factories as was capitalism.

Since then, developed industrial economies have become too complex, too dynamic, and too diverse to be run by tight, centralised control without enormous loss of efficiency and individual freedom. Advances in microelectronics, telecommunications and various other technologies drastically reduced the potential for state control of economic activity.

One of the Labor Party's own has admitted that their model is a failure, but what solutions does he see? He talks about tearing down the old models and trying to put a new one in place. He says that the source of the new moral order for the Left will be from the environmental movement. He says:

Although still fairly incoherent, a new collectivist philosophy is emerging that is universal rather than class-based ...

The opposition should get off its class-based barrow. He continues:

which incorporates level of commitment to individual freedom, opportunity and responsibility ... This is not possible under state socialism.

That is the new vision represented by the Labor Party's leading thinkers - if you can call them that - but it is way off the type of philosophy put by the Leader of the Opposition during the election campaign. His philosophy was rejected by the people the Labor Party alleges to be its constituency - that is, blue-collar workers and young people, but they saw the ALP as totally irrelevant.

I wanted to lay out those issues for members opposite to try to educate them and give them a bit of history so that when they debate matters in this chamber they can do so constructively and add some value to the parliamentary process rather than regurgitating slogans that their own people admit are outdated and a failure. Until the opposition stops regurgitating those slogans, I am glad to say it will be politically dead. With those comments I commend the Governor on his speech.

Motion agreed to.

Ordered that address-in-reply be presented to His Excellency the Governor by the President and members of the house.

ADJOURNMENT

Hon. R. I. KNOWLES (Minister for Health) - I move:

That the house do now adjourn.

Meadow Heights study centre

Hon. C. J. HOGG (Melbourne North) - I direct to the attention of the minister representing the Minister for Education the Meadow Heights study centre, which offers students in after-school hours a quiet place to work under the supervision of a fully qualified and experienced teacher. It has tutors in English, maths and Turkish. It has three computers, a photocopier, a dictionary and some textbooks.

Last year 80 to 100 students used the centre every week. This year an average of 32 students a day use it. Virtually all the young people using the centre come from backgrounds where a language other than English is spoken. Indeed, only 15 per cent of students speak English as a first language. Most of the students are in the final years of secondary education in the local schools and all of them need a greater level of support for their studies. Many students have significant literacy problems and because local schools are stretched to the limit the study centre has become an invaluable resource and a vital source of support.

The study centre has been funded and assisted by Orana, an agency that is well known to honourable members. Currently, the centre has outstripped its budget and regrettably will have to make cuts by reducing its current 16 hours of service.

The main aim of the centre's program is to keep young people at school by providing tutorial support. For those students to have a sound future they need appropriate education and the kind of support provided. It is unlikely that Orana, with its range of welfare priorities, will be able to continue providing any funding beyond the next 12 months. Orana has already done a fine job.

I ask the Minister for Health to ask his colleague in another place - who may wish to consult with the Minister for Youth and Community Services - to advise what assistance may be given to the centre. Its significance to students who are battling to

survive in the school system is considerable. The ability to assist and to make a real difference could be achieved with quite a small amount of money.

Will the minister ask his colleague to advise what sort of support might be available to this centre?

Student newspaper funding

Hon. P.A. KATSAMBANIS (Monash) - I raise with the Minister for Health, who represents the Minister for Tertiary Education and Training in the other place, an issue of concern to me. A large number of my constituents have approached me over the past couple of weeks regarding reports in the media that the Minister for Tertiary Education and Training is considering imposing a fee on tertiary students or, alternatively, deducting a payment out of general revenue to fund student newspapers. The issue has been raised by a number of my constituents. If adopted it would be in direct contravention of the provisions of the Tertiary Education (Amendment) Act.

The tertiary students have made it quite clear that they are not against the existence of student newspapers and, in fact, encourage student newspapers to continue to provide information to students. However, they are against the imposition of a compulsory fee on students to pay for a service they do not want or, even worse still, the levying of a tax on the public of Victoria to provide student newspapers with a forum.

It was very enlightening to read in today's *Age* a letter to the editor from one of the editors of the Melbourne High School student newspaper. It is with great pride that I refer to Melbourne High School; I am proud to be an old boy of that school. The editor of the student newspaper of Melbourne High School effectively pours scorn and ridicule on the editors of the university newspapers who have decided to close down the papers. He makes the point that the Melbourne High School newspaper is funded purely from advertising revenue and revenue raised through selling the paper to students.

I ask the minister to pass on the concerns of my constituents to the Minister for Tertiary Education and Training to ensure that the Tertiary Education (Amendment) Act is implemented and that student newspapers seek their own advertising revenue and funds. I ask the government not to impose a compulsory levy on students to fund papers that they clearly have rejected as being of no relevance to

them or, alternatively, not to place that imposition on the public of Victoria.

I urge the minister to ensure that the current position continues and that the gross inequity that existed before the start of the 1995 tertiary year - where compulsory levies were applied to students - does not return.

Road safety: slow drivers

Hon. PAT POWER (Jika Jika) - I seek the assistance of the Minister for Roads and Ports in relation to driving habits. I emphasise that I raise this matter in a bipartisan way. The minister may be aware of the problem that is often caused on country roads by slow-moving traffic.

People who have travelled in the minister's electorate and in the electorate of Mr Stoney would know that the density of traffic that travels to Mount Buller in winter and Eildon in summer can cause enormous congestion on the Melba Highway and also on the Whittlesea Road. One often sees frustration caused by a vehicle at the front of a long line of traffic travelling at a speed which is not illegal but is much slower than that at which most drivers would prefer to travel. This often leads to people feeling frustrated and seeking to overtake in dangerous circumstances.

When Mr Stoney and I were talking about this matter earlier today I gave an example of a recent experience of mine when travelling from Flowerdale to the city. At the Wallaby Creek area a long line of traffic was delayed by a vehicle travelling at between 70 and 80 kilometres an hour. Despite the opportunities in many places for that vehicle to pull off the road and allow other traffic to pass, the driver declined to do so and travelled at that speed all the way to Mill Park. There were no legal opportunities for drivers to overtake.

I acknowledge that motorists travelling at 70 to 80 kilometres an hour are not committing offences, but I argue that they create frustration and cause possible accidents by doing so.

Will the minister give some consideration to an education program through his portfolio? Will he discuss the problem with the Minister for Police and Emergency Services? Perhaps the Victoria Police could be asked to participate in a cautioning program in which drivers would not be booked but would be cautioned and advised about the problems. I emphasise that this matter is not raised

in criticism of any government policy or practice; it is an attempt to address a problem that many of us who travel on country roads witness frequently.

Crime: white-collar

Hon. B. N. ATKINSON (Koonung)-1 ask the Minister for Small Business, who represents the Attorney-General in another place, to seek input on community views in regard to sentencing penalties. Will the minister give some consideration to a review of what appear to me, and I think to many members of the community, to be fairly lenient sentences for white-collar crime. I was concerned particularly to read in a newspaper at the weekend about the co-owner of a Melbourne introduction agency who defrauded her clients of around \$43 000.

The minister has not received previous advice of this matter; it would help if she were able to hear what I am saying. For that level of fraud the person was given a six-month suspended gaol sentence. I suggest that that seems to be a fairly inappropriate sentence for somebody who had pleaded guilty to 51 charges of defrauding people of significant amounts of money. Of course it is difficult to judge specific court cases because we are not in the position of the judge or, indeed, the jury and therefore are not able to hear all the circumstances and whether particular cases have mitigating circumstances.

However, it occurs to me that many cases of white-collar crime that come before the courts do not seem to attract substantial sentences that would seem to be commensurate with other criminal activities.

I am concerned that some people involved in white-collar crime are often well regarded. It is hardly surprising they are well liked when they buy drinks for everyone with other people's money. White-collar crime must be examined because the integrity of our legal system is at stake.

I suggest to the house and the Attorney-General that the impact of fraud on people, especially where they lose large sums of money, is every bit as devastating as other criminal activity. In many cases it is more traumatic than burglary or personal assault. It would not be an exaggeration to say that in some cases frauds involving considerable sums of money have been the cause of death of people because of the anxiety created and the devastation that occurs. I urge the minister to appraise the Attorney-General of the issue so she can give it her full consideration.

Mildura: senior citizens club

Hon. M. M. GOULD (Doutta Galla)-1 direct to the attention of the Minister for Finance in his capacity representing the Minister for Planning and Local Government in another place representations I have received about the Mildura senior citizens dub which is concerned about the unelected commissioners of the City of Mildura imposing demands on the operation of the club.

The land on which the dub is built is held in trust for the senior citizens and, in fact, the building was built by the community. The senior citizens are concerned about the commissioners imposing on their organisation requirements for access by other organisations. They are concerned about property including crockery, cutlery, a public address system, tables, chairs, curtains and other expensive items purchased by the senior citizens being damaged as a result of other organisations using their facilities. The commissioners have said that unless their facilities are utilised by other organisations restrictions will be placed on the use of the building.

The honourable member for Mildura in another place has raised the concerns of the senior citizens with the commissioners and the opposition is happy to assist the honourable member in raising the concerns of his constituents. I ask the minister to inquire whether the commissioners can impose orders on the senior citizens, and if so, whether compensation will be paid for damage to the equipment and facilities purchased through fundraising activities by the senior citizens.

Director of Trade Measurement Victoria

Hon. T. C. THEOPHANOUS (Uika Jika) - I direct to the attention of the Minister for Small Business an issue I raised in question time - the appointment of Mr Phillip Hatton as the Director of Trade Measurement Victoria. The minister said at the time that she believed Mr Hatton had been employed on merit and that the processes leading to his appointment were appropriate.

Mr Hatton was employed as a consultant by Small Business Victoria to conduct a review of the then Trade Measurement Branch in November 1992. He remained with Small Business Victoria as a consultant for some time after that until he was appointed Director of Trade Measurement Victoria. The position of director was created directly as a result of the review of the Trade Measurement Branch conducted by Mr Hatton.

I am reliably informed that following the review by Mr Hatton and the creation of the position of Director of Trade Measurement Victoria, the position was advertised and people working in the area were told not to apply because they would not get the position. When the position was advertised in August or September about 12 people applied, including a supervisor in weights and measures in the Australian Capital Territory, with 17 years experience in that area, and an applicant from the National Standards Commission. One would have thought that even though the people in the office were discouraged from applying for the position, those two applicants with considerable experience in weights and measures would have warranted an interview. In fact, no-one was interviewed for the position and without further advertising the position was given to Mr Phillip Hatton. Mr Hatton was appointed to the position that resulted from his review of the office and not a single person was given the courtesy of an interview, yet he was appointed on a salary of \$95 000 a year when the equivalent position in New South Wales has a salary of \$60 000 a year and in the Australian Capital Territory a salary of \$42 000 a year.

The Minister for Small Business was not directly involved in this fiasco, but as the minister she has a responsibility to examine what took place. I ask her to investigate further the series of events that led to Mr Hatton's appointment so that we can have confidence in the claim she put to the house that he was appointed on merit and that the process was above reproach. I have provided evidence that the process left a lot to be desired. The matter is before the Administrative Appeals Tribunal and the information will come out, so the minister ought not let herself be burnt because of what her predecessor did. I give the minister the opportunity to put the record right in relation to a shonky appointment.

Castlemaine woollen mill fire

Hon. D. T. WALPOLE (Melbourne) - The matter I raise for the attention of the Minister for Industry, Science and Technology is the recent devastating fire at the Castlemaine woollen mills. I am familiar with the mills and with all industry in Castlemaine, having gone there for a number of years as a union official.

The Castlemaine woollen mills is the third largest employer in Castlemaine behind Castle Bacon and the foundry. I do not know what it is called these days, but the last time I was there the foundry was Thompsons. It has had so many changes of

ownership and name over the years it is difficult to keep up with them. The factory has also retrenched a number of workers over a number of years, but that is by the by.

What concerns me is that the fire has had and will continue to have for some time a devastating effect on the people of Castlemaine. It put some 100 people out of work in the short term. I am interested to know whether the minister has considered an appropriate response that the government might make to assist the people of Castlemaine at this time.

Responses

Hon. M. A. BIRRELL (Minister for Industry, Science and Technology) - Mr Walpole raises the tragic fire that occurred over the weekend at the Castlemaine woollen mills. I share with him, as I am sure all honourable members do, the concern for an important regional community that has been devastated by the fire, which has taken away one of the principal employers of the town.

As I understand it, approximately 80 employees will be affected by the fire, and decisions will be made by the owner within a matter of weeks, perhaps even a matter of days, about whether there will be full restitution of the facility.

We are concerned of course as a government about this. We have been approached by the commissioners of the area, who were quick to act on behalf of their community. My colleague in another place, the Honourable Tom Reynolds, the Minister for Rural Development, visited the site on Sunday and quickly responded to the representations from the city. He was concerned to ensure that he heard the concerns first hand.

The federal government is assisting with social security assistance and advice, and trauma assistance can be provided as well.

On behalf of the government the Minister for Rural Development is also looking at the capacity of the Victorian government to bring forward projects planned for the area so that employment is facilitated. A number of projects were won for the Castlemaine area by Max Turner, whose advocacy ensured that a number of employment-generating projects were in the pipeline for Castlemaine and the region. We are now working to see whether they can be brought forward so that the employment spin-offs are felt earlier.

ADJOURNMENT

Tuesday, 4 June 1996

COUNCIL..

311

I have spoken briefly to the chief commissioner of the area and I know that the Minister for Rural Development, Tom Reynolds, is in contact with him. I will pass on to him the genuine concerns of Mr Walpole.

Hon. R. L. KNOWLES (Minister for Health) - Mrs Hogg raised a matter with me for referral to the Minister for Education regarding the demands for services at the Meadow Heights Study Centre, which she indicated was facing difficulties in providing adequate services. I will bring this to the minister's attention.

Mr Theophanous raised with me a matter for referral to the Minister for Tertiary Education and Training. He expressed concern about the suggestion that there might be a weakening of the government's stance on the use of compulsory fees for the minting of student newspapers. I will refer the matter to the minister. It is my understanding that there is no intention on the government's part of weakening its approach on this, but I will refer the matter to the minister and have him respond directly to him.

Hon. R. M. HALLAM (Minister for Finance) - Miss Gould reports that the Mildura City Council has required the Mildura senior citizens club to make its club rooms available to other user groups in the community. She asked me to inquire of my colleague the Honourable Rob Maclellan, the Minister for Planning and Local Government, whether he will investigate the basis of the report of that decision. I will pass on that request.

Hon. G. R. CRAIG (Minister for Roads and Ports) - Mr Power raises a very important issue with me about slow-moving traffic on country roads, in particular in areas where there is an inability to pass and driver frustration sets in. No doubt most people who cover extensive mileage in country areas understand the position only too well. Quite often drivers of vehicles do not even consider going off the road to allow others to pass them. I will certainly look at the issue and will have some discussions with my parliamentary colleague the Minister for Police and Emergency Services and will consider the way we can best address the issue.

It is one of the issues that has been around for a long time. But I also understand that the greater mobility of people today, with more and more people travelling internally to Victoria's great tourist destinations, especially Mount Buller and Eildon,

puts more and more demand on the roads and the road networks.

I am only too familiar with the Flowerdale-Wallaby Creek area, as I am familiar with the Whittlesea-to-Yea road and also other roads in Melbourne. I can assure the honourable member we will have a close look at this and see what programs we can develop to educate people who tend to drive too slowly on country roads.

Hon. LOUISE ASHER (Minister for Small Business) - Mr Atkinson raised with me a matter regarding white-collar crime and introduction agencies and linked that to a broader point of the Attorney-General's sentencing review. I will refer that matter to the Attorney-General for her consideration.

Mr Theophanous raised with me exactly the same issue he raised with me during question time today. He acknowledged that the appointment of the Director of Trade Measurement Victoria occurred prior to my assuming responsibilities as Minister for Small Business. Nevertheless I am able to advise him that he got just two facts right in that dissertation.

It is true that the position for the Director of Trade Measurement Victoria was advertised and it is true that Mr Phillip Hatton conducted a public review of the weights and measures section of the department. However, all factual references ceased at that point. Let me reiterate what I said at question time today.

Hon. T. C. Theophanous - You tell us what the facts are.

Hon. LOUISE ASHER - The director was appointed on merit, and I am advised that an appropriate process was adhered to. As I advised Mr Theophanous in question time today, a panel was constituted of three departmental officers.

Mr Theophanous insists on making the allegation that nobody was interviewed. I am advised by the department that a short list was compiled and interviews did take place and that Mr Hatton was appointed, as I said in question time today, completely on merit.

I take up yet another comment by Mr Theophanous. He said the matter is before the AAT. Well, the matter is not before the AAT. An FOI application by your colleague Mr Pandazopoulos is before the AAT, not the matter of this appointment. That carried an overtone that somehow there was

ADJOURNMENT

312

COUNCIL

Tuesday, 4 June 1996

something wrong with the appointment. I reiterate the same advice that I gave at question time - that is, that Mr Phillip Hatton was appointed on merit.

Motion agreed to.

House adjourned 11.30 p.m.

Hon. T. C. Theophanous - You'll go down, too.

Wednesday, 5 June 1996

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 1002 a.m. and read the prayer.

PAPERS

Laid on table by Oerk:

Crown Land (Reserves) Act 1978-Minister's orders of 3 June 1986 giving approval to granting of leases and licences (11 papers).

Subordinate Legislation Act 1994 -Ministers' exception certificates under section 8(4) in respect of Statutory Rules No. 165/1995 and Nos 27 and 33/1996

BUSINESS OF THE HOUSE

Sessional orders

Hon. R. I. KNOWLES (Minister for Health) - By agreement with the opposition, I move:

That so much of the sessional orders be suspended during the sitting of the Council this day as would allow notice of motion no. 1, business to take precedence, to be moved and debated during the time allocated for general business and for general business to take precedence over other business until 230 p.m.

Motion agreed to.

CITY LINK AGREEMENT

Hon. T. C. THEOPHANOUS (Gika Jika) - I move:

That the agreements amending the Melbourne City Link agreement tabled in the Legislative Council on 14 May 1996 be disallowed.

Section 15 of the Melbourne City Link Act allows the parties to the agreement to change - -

Hon. Bill Forwood interjected.

The PRESIDENT - Order! The Leader of the Opposition should be able to develop his argument without starting instructions from Mr Forwood. I advise Mr Forwood to desist and allow the Leader of the Opposition to put his case to the house.

Hon. T. C. THEOPHANOUS - I shall start again. Section 15 of the Melbourne City Link Act allows the parties to the agreement to change it. Honourable members have seen the changes come forward in the form of deeds amending the concession deed. They are very substantial changes. In fact, if members examined the changes to the agreement they would see the documentation involved is very extensive indeed.

The changes can be revoked by a house of Parliament if that is done within six sitting days of the changes being tabled in the house. This is the sixth day since the tabling in the house, so it is possible to have this debate. I should point out that an attempt was made to have such a debate in the Legislative Assembly but the government refused to allow a disallowance motion to be moved, which the opposition regards as quite improper given the fact that both the minister responsible for the City Link and the shadow minister responsible for this area are in the other house.

It is therefore left to the opposition in this house today to seek to use opposition business time to voice its concerns about the massive changes that will occur as a consequence of the changes to the City Link agreement. I should point out that as we take the limited opportunity today to put our concerns on the record, the fact is that very comprehensive and substantial changes have been made without any scrutiny by Parliament. Therefore, in a very real sense it is legislation by deception because the changes are made without this house having the opportunity to discuss them. Even the Minister for Roads and Ports, who should have the responsibility for the City Link - -

Hon. G. R. Craigie -According to whom?

Hon. T. C. THEOPHANOUS --- It is totally inappropriate for the City Link to be within the responsibilities of the Minister for Planning and Local Government, who is responsible for planning, local government and a whole lot of other contesting matters together. It is a real indication of the government's lack of confidence in the Minister for Roads and Ports in this place that it did not place this responsibility with him, where of course it should be. Be that as it may, given his performance yesterday on a very simple bill, it would have been amusing to watch the Minister for Roads and Ports seeking to understand a complex document like the deed amending the concession deed.

The deed amending the concession deed and the master security deed seek to do a number of things. I want to concentrate on three things: first, the deeds make a set of amendments relating to concession notes; second, they make allowances for a decision of the development allowance authority about tax concessions; and third, there are additions and deletions to the project scope and technical requirements covered by the changes.

I will start with the concession notes. These amendments seek to clarify the payment date for the concession notes. It clarifies and facilitates a system where, instead of paying the concession fees semi-annually - that is, twice a year - as was the original agreement, they are converted into notes for IOUs and paid at a much later date when their value has, of course, reduced.

The concession fees in their original form were meant to produce an income stream for the government estimated to be in excess of \$3 billion. That was to compensate the government for the \$300 million financial assistance that is to be provided to Transurban, as well as the use of the land Transurban has. So it was meant to be a form of compensation for the government.

In fact, the concession period would have already commenced. It was meant to have been divided into two periods: one of about 29 years, and the other of about 8 years. Under the concession deed, in the first period there were to be payments of a concession fee of the equivalent of \$95.6 million to be paid on a semi-annual basis; and in the second period the payment was to be to the state of Victoria of about \$45.2 million, also to be paid on a semi-annual basis.

According to the base case financial model, which is used by Transurban, the payments by Transurban are now likely to commence in the year 2013. I refer to a letter dated 27 May 1996 from the Melbourne City Link Authority to the opposition spokesperson, Mr Peter Batchelor, in which - -

Hon. Bill Forwood - At least this one's got a signature.

Hon. T. C. THEOPHANOUS - Mr Richard Parker writes in response to a request for information made during a briefing on 24 May. In respect to the questions he makes the following points:

In relation to your request relating to concession notes, I would advise that:

the net present value of concession notes as at February 1996 according to the base case financial model is \$269 million.

the year of first payment is 2013 under the base case financial model.

So although the government has been touting that an income stream of more than \$3 billion was established to pay for the use of land, the \$300 million financial assistance, in fact the new base case model, which is being used partly as a result of the changes in this agreement, represents a net present value of \$269 million. That is a bit of a difference from \$3 billion. The letter goes on to say:

if all concession notes are paid out on the last day -

that is, rather than the year 2013, they are paid out after the 34-year period -

the net present value is approximately \$130 million.

So we have confirmation from the Melbourne City Link Authority that, rather than a \$3 billion income stream being provided to the government to compensate for its financial assistance and its assistance in terms of land being made available to Transurban, we could be talking about an amount as low as \$130 million.

Let me indicate for members who may think that this is not the case, that in the deed amending the concession deed, the subject we are talking about, page 8, part 3, under the heading 'Payment of Concession Note' says:

The payment amount must be paid under this concession note notwithstanding paragraphs (b) and (c), on the date which is 33 years and 6 months after the link expected completion date ('the expiry date') and this concession note may be presented for payment to the company at any time after 32 years and 6 months after the link expected completion date.

So there you have it in black and white - that these changes allow City Link, or Transurban, to make the payments as late as 32 years and 6 months after they have written out the IOUs. What a disgrace! That would have gone through in the form of a change to an agreement, without even the scrutiny of this house, had it not been for the opposition moving the motion today so we could at least put our concerns on the record.

I turn to the second point that I want to make about tax concessions. The government is seeking to facilitate the tax concession to Transurban, and

Transurban is seeking a ruling that will allow it to receive tax benefits, or IOUs, on its IOUs, which it may not have to start paying until the year 2013 at the minimum, or as late as the year 2034.

What a shonk! Not only do they not want to pay the income stream the government had said it would receive of more than \$3 billion - instead of paying, they will be writing out IOUs for the next 34 years to the government - but they also want to have tax concessions on those IOUs they write out, which they did not pay anything for.

Hon. M. M. Gould - Talk about double dipping!

Hon. T. C. THEOPHANOUS - What a shonk! What an incredible situation for Victorians to face! Not only will they not be paying for perhaps as late as 34 years, but they also want tax concessions. Of course one thing is certain: if they do not get these tax concessions the people of Victoria can expect Transurban to come back to the government and say that it now wants to charge higher tolls in order to compensate it for a failure to get the tax concessions. Nothing is more certain than that. So, one way or another the motorists of Victoria will pay for this aspect of the deal between Transurban and the government.

The third part of the opposition's concerns involves changes to the project scope and technical requirements. It is really a list that details what Transurban and the government respectively will be responsible for. What the government will pay for is contained in the state works and construction contract, the coordination deed and the works construction deed. Until now the government has denied the opposition access to those documents, which is an issue in itself. The amendments being brought before the house seek to transfer responsibility for the payment of certain works between Transurban and the government, and that is essentially what this section of the deed does. It is very extensive.

One thing of which we can be certain in relation to this matter is that the changes are designed to fix up a set of bungles and statements made by the former Minister for Roads and Ports, Mr Baxter, in which he insisted that certain things were the case when they were later shown not to be the case. That is what these provisions are about.

Hon. B. N. Atkinson - Departing from your briefing notes from Mr Batchelor?

Hon. T. C. THEOPHANOUS - I will go into those in a minute. That is what this is all about. As I said, the government is seeking to change the provisions concerning who is responsible not because of improvements in the design or necessary changes but because the former minister basically got it wrong. This is an attempt to try to fix up all of that. The then minister got it wrong and misled the Parliament on a number of occasions. I very clearly recall one example concerning street closures, but it also happened on a number of other aspects of the agreement.

In the committee stage of the Melbourne City Link Bill the then minister made statements concerning the twin 120-metre-tall towers proposed for the Yarra River bridge. At page 1104 of *Hansard* of 30 November 1995, Mr Nardella is reported as asking:

Is the government paying for the design features on the new Yarra bridge - that is, the two 120-metre towers?

Mr Baxter is reported as responding:

The answer to the question is no.

Mr Baxter reinforced that position later in the debate. At page 1106 of the same volume of *Hansard* he is reported as saying:

I have already advised Mr Nardella that the government is not paying for the work on the bridge.

Those are very categorical statements, but the then minister got it wrong and misled the house. He was further questioned on the matter by Mr Nardella, who is reported at page 1106 as asking:

Why did Richard Parker, CEO of the Melbourne City Link Authority, tell the opposition at our briefing that the government was paying for the cladding on the Yarra bridge?

Mr Baxter got stuck into Mr Nardella and said:

Mr Nardella, you weren't at the briefing so you are obviously getting second-hand information.

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS - Neither was Mr Baxter, because he got it wrong - it was not meant to be part of the agreement. Now a set of deed changes which fix the problem and make Mr Baxter retrospectively correct are being brought

before the house - at least, the government is trying to sneak them in without them coming before the house. It is not a bad little trick! The minister stuffs it up in the house - makes a botch of it and gets it all wrong - y o u change the agreement to make him retrospectively correct.

I turn to another part of the agreement. At page 1107 of the *Hansard* report, Mr Baxter is reported as stating:

I have already answered that question at least twice for Mr Nardella. We are not paying for the bridge or the cladding.

Again, the then minister made the same point and reiterated his understanding that the cladding was not part of what the government had to do. Of course, it turns out that three of those issues which Mr Baxter said were not going to be paid for by the government - the 120-metre towers, the bridge cladding and the 70-metre yellow beam - w i l l be paid for by the government. This is all about changing the deed to make Mr Baxter retrospectively correct.

Of course, this is not a one-way street. Under the deed the government will now be responsible for certain matters and Transurban will be responsible for other matters. The central point is that the things Transurban will be made responsible for are nothing more than the things the then minister mistakenly and incorrectly said they would be responsible for. This is about retrospectively fixing up the minister.

But what new responsibilities is the government being given? In other words, what is being removed from what Transurban has to do? I will go through them quickly. At page 1 of 27 of the agreement amending the concession deed you find that auxiliary lanes are omitted and are no longer the responsibility of Transurban.

The following works listed in table 2.1 - Moonee Ponds Creek, east of Woodland Street; Moonee Ponds Creek near Wallace Crescent; the Pascoe Vale Road off-ramp; and the noise attenuation barriers - are to be deleted from the responsibility of Transurban. Interchanges referred to on page 3 of 27 are to be deleted from Transurban's responsibility. A two-lane northbound on-ramp that will allow traffic from Mount Alexander Road to enter the freeway is to be deleted from Transurban's responsibility. Paragraph 2.2 says a new single-span bridge taking northbound Mount Alexander Road traffic over Moonee Ponds Creek and some of the noise

attenuation responsibilities referred to in paragraph 2.3 are also to be deleted. Finally, page 8 of 27 refers to a range of associated works in relation to the treatment of Graham Street, which are to be deleted from the responsibilities of Transurban.

The government has sought to amend agreements without bringing them before this house, amendments that make substantial changes to the original agreement. I do not know the cost of the deletions, but I hazard a guess they will total many millions of dollars. As a consequence Transurban will not only be able to write out IOUs over the next 34 years, but also a whole set of responsibilities previously in the agreement have been deleted. It does not have to undertake constructions that would cost millions of dollars. The amendments were made by deception; they were not brought before the house to be properly scrutinised as was the case on the last occasion when the minister sat at the table and answered questions about each and every one of the proposals. The situation in Victoria today is one of secrecy and of deals being struck under the table without people being told about them.

Hon. B. N. ATKINSON (Koonung) - The government opposes the motion moved by Mr Theophanous. I shall correct some of the matters he laid before Parliament about which he was in error. He did not present some of the issues correctly - especially in respect of the varying of the concession deeds laid before Parliament.

As the government has said on a number of occasions, the City Link project is a major infrastructure project that will have significant benefits for Victoria. On previous occasions the government has said this is the biggest project since the Snowy Mountains scheme. It will have tremendous economic benefits for Victoria directly during the construction phase and, more importantly, when it provides vital linkages for much of the economic and social activities of Melbourne into the future.

With a major project of this size and nature the expectation is always that it will be subject to some changes and variations. That fact has been mentioned by the government in the public domain. Most honourable members will understand that when you build a garden shed, you often begin with a set of plans and then change your mind about where you put the shelves, lights and all sorts of aspects of the design.

Hon. D. A. Nardella - A garden shed!

CITY LINK AGREEMENT

Wednesday, 5 June 1996

COUNCIL.

317

Hon. B. N. ATKINSON - I am endeavouring to deal with a problem.

Hon. D. A. Nardella - You have a problem!.

Hon. B. N. ATKINSON - Mr Nardella, you have certain problems but my problem is that whenever we brief the opposition on this project it seems to fail to come to grips with what the briefings are about and what the information means. I am trying to bring the debate back to your level so that you can have some appreciation of what I am talking about. The concept is that even with a minor project like a garden shed, you make changes according to the way you want it to function on completion.

The situation is no different with major projects. Perhaps members of the opposition who were involved in construction projects in their union days are aware of the many variations made to major building contracts. I have sat through weekly shopping centre contract and design meetings going through a whole range of project variations. The City Link project is exactly the same. It is a major construction project that needs to be sensitive to local communities. The project needs to recognise the traffic implications based on the latest data available to ensure the government makes the right decisions for the people of Victoria.

We need to be conscious of the fact that the developers are taking considerable risks on behalf of Victoria. We need to ensure that we do not unnecessarily penalise them with positions that are not relevant to the conduct, scope or function of the project in the future.

Many changes will be made to the project. We do not run away from that fact. We never said changes would not be made to the project. When the bill was debated last year the minister at no time suggested that the entire package placed before the house would be the end of the matter because it covered every eventuality that would arise with the project. That was never stated by the government and, because of the nature of the project, it never will be. I should have thought the experience of certain opposition members in the building industry would have led them to appreciate the situation with major projects of this nature. However, it seems they cannot comprehend; their minds cannot grasp the scope and importance of the project and the many matters of detail crucial to its conduct. They continue to nitpick and express their concern about

matters that exaggerate or misconstrue much of the information provided to them in good faith.

Extensive and comprehensive briefings have been provided for opposition members to enable them to understand some of the issues raised by the project. Today Mr Theophanous bleated that there had been no opportunity in the other place to debate the matter and that that was why he moved today's motion. However, the shadow spokesman in another place, Mr Batchelor, made an extensive contribution to the Assembly on the very aspects to which Mr Theophanous referred today.

The honourable member for Thomastown in the other place spoke about the City Link project during a debate in that house. In fact, Mr Theophanous has used the same briefing notes because he raised the same issues in exactly the same form as did the honourable member for Thomastown. The opposition's views have been aired in the Legislative Assembly, although I appreciate that that chamber did not have the opportunity to vote on the issue.

The opposition has not brought anything new to the attention of the house. All the matters canvassed by Mr Theophanous have been on the record since last November. The concession and amending deeds were signed after the legislation was dealt with in October 1995. It was made clear that a number of documents would be agreed to after the signing of the concession deeds and the lead-up to the financial aspects of the project. It was always said that changes would be needed. A procedure was put in place for Parliament to oversee the changes. The concession deeds were tabled in the parliamentary library and brought to the attention of Parliament.

The issues being canvassed today are in conformity with the legislation introduced in October, so it was anticipated in October that variations would be brought to the house and that the house should be informed about them, and that is what has occurred. There should not be a concern about process, about the house not being fully informed on the project or about changes occurring that are outside the broad scope and scale of the project. The government has not proposed anything of that nature; Transurban has not proposed anything of that nature and the project is consistent with the legislation passed last year.

Hon. M. M. Gould - It won't be paid back for 34 years.

Hon. B. N. ATKINSON - I take up what Miss Gould says about the repayment of the concession deeds after 34 years. I am amazed at the argument being put about repayment after 34 years. The opposition wants to have it both ways. I shall give it some political advice. When political parties go to the electorate it is a good idea to have one message to put and to stick to that message. If it sends out two messages people get confused. The electorate does not know where the Labor Party stands, and that is the problem with it. It is out there saying the project will be successful and that the developers will rip off Victorians, get a massive free kick and make millions of dollars at the expense of Victorian motorists.

Hon. T. C. Theophanous - You got that bit right.

Hon. B. N. ATKINSON - Having said that I got that bit right, the opposition goes to the public and says, 'Wait a minute, they will not pay back these concession deeds for 34 years and when they do they will have a discounted value to the state.' In running that argument the opposition is effectively saying that the project will not succeed and that it will not be viable. You cannot have it both ways. The opposition does not understand that the timing of the repayment of the concession deeds depends on the performance of the project. You cannot say that the project will return a discounted value to the state after 34 years.

I remind the opposition that if the current calculations of the project are met the concession deeds will be paid earlier. The payment of the concession deeds will reflect the viability and profitability of the project. The opposition cannot run the line that, on the one hand, the project will not be a success, that it is a dead duck and will cost the state while, on the other hand, say that the project managers will make millions at the expense of Victorian motorists. The opposition must decide what the benefits are to Victoria and where the real value of the project lies.

The worst case position for the state is that if the project does not work it will return to the state, so Victoria's position is always protected. The risks taken by the state were enunciated by the then Minister for Roads and Ports in November, and there has been no variation on that risk. In fact, the variations have improved the position. The state's position is not at risk and the views put by Mr Theophanous are not true.

Mr Theophanous sought to mislead the house over some minor matters, but the record should be corrected. He referred to the bridge towers and the often-made claim that Richard Parker, the chief executive officer of City Link, said that the government would have to pay for the cladding of the bridges. The opposition claims that that is inconsistent with what the then minister told the house. In fact, the suggestion is that the minister misled the house. That is not true. Mr Richard Parker denied that he ever told the opposition in any briefing that the government would be responsible for the cladding.

Hon. D. A. Nardella - Were you at the briefing?

Hon. B. N. ATKINSON - No, we allow free access to the information and we have absolute confidence in the persons giving the briefings. The problem is not in the information given but rather that the opposition misconstrues the information. The minister did not mislead the house; he got it right the first time. He is not responsible for the changes to the project, as Mr Theophanous said today. The amending deeds were signed, as I said earlier, and the concession agreement concluded in November 1995. There was never any intention that those deeds would be the final documents because other variations were to be brought to Parliament as provided for in the legislation and in the agreement.

The concession deed made clear that a number of documents had to be agreed after the signing of the agreement in the lead-up to the financial inquiries. As is always the case in projects as complex as this, the documentation is developed progressively - that is, consistent with every major construction project, and even Mr Nardella with his garden shed should know that! All the supporting contracts and other material were made available to the house last year, as honourable members know. As the documentation progressed small changes were made. The amendment to the concession deeds related to five areas: the concession notes, issues arising from lending documentation between Transurban and its financiers, the expected completion date, the project scope and technical requirements, and other matters.

Mr Theophanous made great play about the opposition's concern regarding the concession notes. The agreement provides for concession fees to be paid in the form of concession notes, as Mr Theophanous said. The notes are redeemable when a certain level of return is achieved. It was always anticipated that would occur around the

13-year mark. Again the government has nothing to hide. It recognised that the initial investment cost for a project of this size would take a considerable time to secure - well into the life of the project.

That was one of the reasons why the BOOT scheme was seen as the way to provide the essential infrastructure project for Victoria. So there is no running away from that; it has always been recognised. There is nothing new in that. It is certainly not new to the opposition although at times it chooses to misconstrue the information.

The proposed amendments to the concession deeds that were laid before the house on 14 May that are the subject of Mr Theophanous's motion involve a change to the definition of 'concession notes' to ensure that they are all repaid by the end of the concession period, that is, the 34-year period that Mr Theophanous has advised the house of this morning. That was always the position under the base case projections for the project.

The need for the amendment arose when the form of the note was being developed, and it embodies the principles as set out in the concession deed. The net present value of the concession fee payments approximate the value of state works, that is, the value of the input the state has made as part of its obligations under the agreement to this project, and the cost of acquiring land needed for the project. As honourable members would be aware, the land is vested in the government; it is subject to agreements with Transurban but the land remains in government ownership. It can therefore be regarded as delayed reimbursement to the state for state works on the required property.

The opposition is surely not suggesting that the proposed amendments be opposed, as doing so would place in jeopardy the state's ability to recoup its costs over the life of the project. That would be the outcome of passing the motion this morning. It would be to say, in effect listen, Transurban, we've done you a favour; you really don't have to meet these obligations. The agreement is based on recouping the government's investment and that is what the government is seeking.

Hon. T. C. Theophanous - What, \$130 million out of \$3 billion?

Hon. B. N. ATKINSON - Mr Theophanous takes things out of context - and you trip yourself up! You ought to see the document in its totality and see what it is all about.

The other changes to the concession notes that are the subject of the amendments that have been laid before the house relate to the replacement of lost, stolen, mutilated, defaced or destroyed notes, and the sequential numbering of the notes. These routine matters are completely consistent with the definition of 'concession notes' given in the concession deed. I raise this matter although it has certainly not been raised but Mr Theophanous in the debate today, and not because it is important, but it is indicative of some of the matters of detail that need to be addressed in the documentation as part of the ongoing process. That has always been understood by the government, has always been part of the legislation, was included in the speeches that surrounded the passage of the legislation last year, and was provided for in clauses of both the legislation and the various agreements attached thereto. The second area covered by the amendments laid before the house relates to the issues arising from the lending documentation between Transurban and its financiers. That area covers two different aspects.

Firstly, the definition of 'equity return' was clarified to ensure that the details of the financing arrangements between Transurban and its financiers, as reflected in a lender's model, did not impact on the state - in other words, again protecting the state's position. Therefore the only impacts would be through the financial model approved by the state, as set out in the master security deed.

Secondly, the definition of 'project debt' was clarified to ensure that once the original approval provided by the development allowance authority was given, risks associated with the revocation of the approval of the infrastructure bonds were to the account of Transurban. This was always the intention, but some of the detailed wording of the lending documents necessitated the clarification I have just mentioned to the house.

If the motion of the opposition were passed today, the commercial deal concerning the link's expected completion date - another matter that is covered by the amendments that were laid before the house - would be set aside. As to that completion date, the commercial deal was that the link's expected completion date was six months after the expected date of completion of the works. In other words, building contracts provide a date when the project is completed - that is, when works are effectively completed - and then a formal completion or hand-over date. In this case, when the concession

CITY LINK AGREEMENT

320

COUNCIL

Wednesday, 5 June 1996

deed was finalised the date of financial close was not known. Consequently, the definition in the concession deed of the link's expected completion date was quite complicated. The opportunity has been taken to amend the concession deed to include a specific date, while still adhering to the commercial deal.

The fourth area of the amendments before the house concerns a range of clarifications to the project's scope and technical requirements. The major reason for the proposed changes is to reflect the savings to the state as a result of interest rate hedging, as is normal.

Hon. T. C. Theophanous - To fix up the muck-up!

Hon. B. N. ATKINSON - Mr Theophanous did not seem to hear what I said: the major reason for the changes is to reflect the savings to the state as a result of the interest rate hedging. I suggest that there will be other changes to the project as well. They will reflect design changes and take into account some of the needs of local communities and different traffic issues, and perhaps even some matters relating to new building techniques.

As members of the opposition are aware, already the construction of the tunnel under St Kilda Road has been changed. Because of concerns expressed by other landowners in the area and by the Melbourne City Council about the proposed process of construction - that is, tunnelling under St Kilda Road - Transurban was able to embark on a different process of construction. Now an open cut on St Kilda Road will move progressively across the road, and then a lid will be put over the top. St Kilda Road's traffic lanes will be maintained for the most part. Two lanes will be lost in each of the construction stages but St Kilda Road will be maintained as an open thoroughfare. The project has construction managers who have taken particularly the interests of other landowners into account. So there will be those sorts of changes, but by and large the major reason for the changes that have come before the house is, as I have said, to reflect the savings to the state as a result of interest rate hedging.

As is normal for projects of this kind and as part of the project brief, the state had the interest rate risk until financial close, that is, the risk between the bid interest rate forecast and the actual market rates at the time of financial close. The state hedged that risk and achieved a saving of more than \$20 million and,

by prior agreement with Transurban, there was a reduction in the value of state works to reflect that saving. In other words, the state was \$20 million better off and that is reflected in the amendments that have been laid before the house and that the opposition is seeking to overturn by the motion today.

Other changes to the project's scope and technical requirements include an adjustment in the state's favour after an audit of the financial model; a range of other changes made at the time of financial close, reflecting further refinements and clarifications, particularly of minor design issues; and corrections of errors in the original documentation. For instance, two or three maps were inadvertently omitted from the original document and they have been incorporated by way of the amendments.

Three other changes are detailed in the amending deeds. I am aware that the time agreed on for the debate is about to conclude. I just mention that the changes cover insurance requirements, the letter of credit support, and design documentation. In each case they are to the betterment of the state's position on the project.

Indeed, the issues canvassed in the debate on the motion of the opposition are not worthy of any change by the house. Certainly the proposed amendments ought to proceed. The motion to disallow those amendments is not just improper in terms of the matters that are covered by the documents, but it would really be rather foolish and obviously to the state's detriment to do as the opposition argues. The amendments do not reflect any great gain to Transurban from the project, but they do reflect a continuing refinement of the project. As I said, the refinement process will continue over a period because it is a major infrastructure and construction project.

The process that was laid down in legislation is being followed, and the matters canvassed by the amendments are appropriate and will work to the benefit of all Victorians. I urge the house to reject the motion.

House divided on motion:

Ayes, 9

Eren, Mr	Power, Mr
Gould, Miss	Pullen, Mr (Teller)
Hogg, Mrs	Theophanous, Mr
McLellan, Mrs	Walpole, Mr
Nardella, Mr (Teller)	

	<i>Noes, 31</i>
Asher, Ms	Hallam, Mr
Ashman, Mr	Hartigan, Mr
Atkinson, Mr	Katsambanis, Mr
Baxter, Mr	Knowles, Mr
Best, Mr	Lucas, Mr
Bishop, Mr	Luckins, Mrs
Boardman, Mr	Powell, Mrs
Bowden, Mr (Teller)	Ross, Dr
Brideson, Mr	Smith, Mr
Cover, Mr (Teller)	Smith, Ms
Craige, Mr	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr
de Fegely, Mr	Varty, Mrs
Forwood, Mr	Wells, Dr
Furletti, Mr	Wilding, Mrs
Hall, Mr	

Pairs

Nguyen, Mr Davis, Mr P.R.

Motion negatived.

GOVERNMENT ADVERTISING

Hon. T. C. THEOPHANOUS Gika Jilka - I move:

That this house endorses the Auditor-General's findings in his report on marketing government services that the use of public funds for party-political purposes is totally inappropriate, and calls on the government to implement the Auditor-General's recommendation for conventions to be established with the support of all political parties covering publicly funded advertising and promotion.

After examining publicly funded advertising material the Auditor-General makes the important point in his report *Marketing Government Services - Are you being served?* that the use of public funds on such material is party political in nature and therefore totally inappropriate. The first part of the opposition's motion supports the Auditor-General's view. If the government rejects the findings of the Auditor-General and votes against the motion it will in effect be saying that it does not consider it inappropriate to have party-political advertising funded by the state through public funds. It would be sending the message that publicly funded political advertising is acceptable.

Not only did the Auditor-General state the principle that party-political advertising funded by the taxpayer should not occur and is inappropriate but

he also found that much of the material produced by the government falls into that category because it contains party-political statements. He also recommended that to avoid such practices and problems in the future, a set of conventions be developed with the support of both parties.

His view is reflected in the second part of the motion I have moved, which I believe all members should support. I make clear and place on the record at the outset that I recognise that all political parties in government have produced material that could be described as party-political. In that sense, we can all point to examples under the previous Labor Party or under the present government of the production of material of a party-political nature, or at least material that could be construed as being party political. So in that sense no government is innocent.

The opposition has moved the motion in good faith and hopes government members will recognise the fact that, in one way or another, all governments have been involved in this kind of activity. We hope they will be prepared to take up the challenge the Auditor-General has put before us all: to set aside political interests when in government, develop a set of conventions, as has occurred in the United Kingdom and New Zealand, and move the debate forward.

I recognise that no jurisdiction in Australia has such conventions in place. The Auditor-General has also made that point. Attempts have been made in the past to -

Hon. Bill Forwood - And the Labor Party made an art form of it.

Hon. T. C. THEOPHANOUS - I just finished saying that no political party, neither the Liberal nor the Labor party, can say it is innocent in this matter because there is temptation when in government. I am sure the Minister for Finance would agree in his heart of hearts with that statement.

At the end of the day it is a matter of whether we as representatives of the people are prepared to move beyond party politics and think about conventions for this kind of activity that make sense. If there is one certainty in politics for those in government it is that some day they will be in opposition. It is for that reason and for a variety of other important principles the Auditor-General has outlined that I believe we should try to deal with this issue in a

bipartisan fashion, in the same way that we have tried to deal with the gun and drug debates.

The Auditor-General has laid down a challenge to us. He has pointed out that all political parties have done it in the past. If politicians have the courage to move forward on this matter Victoria could take the lead in Australia by developing a set of conventions on a bipartisan basis. I make the offer to the government: the opposition is certainly prepared to be involved in any process that would result in the establishment of conventions for the control of party-political advertising funded by the state. It is really a question of whether the government is prepared to take up that offer in good faith and move the debate forward.

I shall outline examples of some of the changes in stance between the government and the opposition. The best example I can find is that of the Leader of the Government, Mr Birrell. When in opposition he attacked the then Labor government for a whole range of what he considered to be politically motivated advertising campaigns and political polling. He made impassioned speeches in Parliament on the principle of not using public funds for party-political advertising.

On 11 August 1992, Mr Birrell attacked the then government in Parliament on the issue of advertising and accused it of squandering public funds on a proposed television campaign to promote access to national parks. He insisted that if the campaign was to go ahead it should be paid for by the Australian Labor Party, not by the state. He described the campaign as an attempt to bolster the image of the ALP. As reported in the *Herald Sun* of 12 August 1992, Mr Birrell accused the ALP of theft of the funds being used for that advertising. If Mr Birrell thought that was the case in respect of an advertising proposal by the previous Labor government I suggest he examine some of the current government's publications, which are designed for precisely the same reason as the one he outlined when in opposition: to bolster the image of the Liberal Party. If Mr Birrell is to remain consistent in any way with the statements he made when in opposition, he must realise that if it was considered theft during the Labor Party's period of government, it must be theft during this government's term as well.

The Auditor-General identified a number of publications, advertisements and promotions that fall into the party-political category. For example, he notes at page 78 of his report that the government's

advertising of electricity privatisation was directed at changing attitudes to achieve support for its policies.

In the past honourable members have heard the government say how much it respects the Auditor-General. It is not enough to say you respect him when you do not respect his conclusions.

Hon. R. M. Hallam - We can respect him and disagree with him.

Hon. T. C. THEOPHANOUS - I understand the distinction the minister is making, but on this occasion the Auditor-General has come up with a set of specific examples and a set of conclusions. I look forward to the minister's contribution to the debate. If he is prepared to stand up and say this government has never been involved in political advertising using public funds, that is fine. He can take that sort of approach, but that is not the conclusion the Auditor-General reached.

It is important for members to try to get a feel for exactly the sort of material we are talking about. I have here some of the material that has been produced. As you can see, a massive number of glossy publications has been put out by this government.

Hon. Rosemary Varty - And you are saying they are all party political?

Hon. T. C. THEOPHANOUS - Not all of them; the Auditor-General did not find that all of them were.

Hon. Rosemary Varty - He said a few.

Hon. T. C. THEOPHANOUS - He said that 9 out of the 17 items that he had examined - -

Hon. Rosemary Varty - Nine out of 17 in only one area.

Hon. T. C. THEOPHANOUS - In one area, but he examined a number of areas; and in other areas - -

Hon. Rosemary Varty - Yes, and he said very few - -

Hon. D. A. Nardella - So it is all right for very few, is it?

Hon. T. C. THEOPHANOUS - In other areas - for instance, he indicated that advertising for electricity privatisation was directed at changing attitudes to achieve support for government policy. That is the central point. The present government not only tried to change attitudes but also spent public funds in monitoring attitudes. And of course we saw that with the Victorian - -

A n honourable member interjected.

Hon. T. C. THEOPHANOUS - T h a t was in a way the Auditor-General did not find acceptable. There are certainly aspects of the Victorian Attitudes Monitoring Study which could be construed as party political in that they contain - -

Hon. Rosemary V a r t y - H e didn't say 'was', he said 'could be'.

Hon. D. A. Nardella - Haven't you read your own surveys?

Hon. T. C. THEOPHANOUS - T h e y contain questions on the voting habits of individuals. It is quite clear that a secret poll by a government which contains questions - and remember, this was not a publicly available document - -

Hon. Bill Forwood - Were you in cabinet?

Hon. T. C. THEOPHANOUS - T h i s was not a publicly available document.

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS - I have made the point already - and I do not have to keep making it for your feeble mind - that I accept that all governments have been involved in this. My point is to establish that the present government is also involved in it to a massive extent and that it is about t i m e - -

Hon. Bill Forwood - You are pleading guilty! Guilty!

Hon. T. C. THEOPHANOUS - It is about time that you adopted a proper approach to this, which is to develop conventions. This government has made party-political advertising into an art form. Whatever the sins of the previous government might have been, the amount of money expended by this government on party-political advertising makes anything that the previous government spent look like a local chook raffle.

Honourable members interjecting.

The DEPUTY PRESIDENT - Order! Hansard is having difficulty recording the debate with the level of interjections from both sides of the house, particularly from the government side of the house. Members will have the chance to rebut the arguments that have been put by Mr Theophanous in due course. I ask you to restrain from rebutting arguments by way of interjection and wait your turn to speak.

Hon. T. C. THEOPHANOUS - T h e present government was involved in secret polling. We are concluding that questions about attitudes and questions about voting behaviour were not made available to the general public. It offered a \$1500 prize to people to try to provide an incentive for them to fill out the forms and be part of the polls.

Hon. D. A. Nardella - It was a trip to Queensland.

Hon. T. C. THEOPHANOUS - I don't know if you won it, Mr Smith, but it was a trip to Queensland; if you filled it out you potentially got a prize for taking part in a secret poll for the benefit of the Liberal Party.

I will run through some of the campaigns the opposition has identified and their estimated cost. The Victoria on the Move publications are identified in the Auditor-General's report. There are many of them, but one, which was sent out by the honourable member for Tullamarine, Bernie Finn, to his electorate, says 'With compliments of Bernie Finn, MP, the member for Tullamarine'. In other words, there was assistance to a local member to send out documentation.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS - T h e Auditor-General has described that as being of a party-political nature.

Hon. K. M. Smith - It is an information sheet for taxpayers.

Hon. T. C. THEOPHANOUS - We estimate the cost of these publications at \$400 000. Another one of the massive publications that went out all over Victoria was the Victorians creating the 21st century publication, which probably cost around \$3 million or \$4 million. Another publication, the Commission of Audit report, cost about \$3 million.

Hon. K. M. Smith - On a point of order, Mr Deputy President, Mr Theophanous is saying that these Victoria on the Move publications support a party-political point of view, because the Auditor-General has said so. I wonder whether Mr Theophanous could explain what he sees as party political in the Victoria on the Move publications that he is quoting from?

The DEPUTY PRESIDENT - Order! In this instance there is no point of order. That is the sort of rebuttal or argument that a member is entitled to raise during his contribution to the debate.

Hon. T. C. THEOPHANOUS - The political promotion of the State Employees Relations Act, which was not of a bipartisan nature, cost \$800 000. The promotion known as All Victorians Have Played a Part in Rebuilding the State cost \$130 000. The Proudly Victoria supplement cost \$150 000. The Visions of Victoria cost about \$2 million. The original Workcover is Working advertisements, which were very objectionable to the injured workers out there, cost in the vicinity of \$3 million or \$4 million.

Hon. R. M. Hallam - To whom?

Hon. T. C. THEOPHANOUS - Fortunately those ads are not as objectionable now, because of a change in direction by the Workcover authority. The Education News publications cost about \$1.8 million. The PR Attack on the Federal IR Policy - what a disgrace, to attack another government's industrial relations policy and to use public funds to do it through advertising - cost \$400 000. The hospital cutbacks promotion - an attempt to overcome the reality that these cuts actually occurred - cost \$500 000.

The 1993 economic statement advertisement cost \$150 000. The Do the Right Thing pamphlets cost \$150 000. The Schools of the Future advertisements, which were a disgrace, cost another \$99 000. The DSE promotion of LAP testing cost \$500 000 - notwithstanding the fact that if you asked parents about LAP testing you would be told that it has been an abysmal failure. The Better Roads publication cost \$50 000. The Keys to life campaign cost \$500 000. The Classrooms of the Future campaign cost \$500 000. The City Link advertising cost \$1.5 million. The Linking Victoria Project cost \$300 000. The DSE newspaper supplements and Back to School showbags cost \$3.2 million. The ambulance dispute advertisements cost \$70 000. The doctors' dispute advertising cost \$28 000. And

finally, the privatisation advertising was more than \$11 million and was an absolute disgrace.

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS - In response to the interjection by the Minister for Finance, the Auditor-General identified particular advertising and I will be happy if the minister is prepared to go only to the point of agreeing with the Auditor-General - he does not have to agree with me. The minister is not prepared to go to that point and until he is, he should not interject about what the Auditor-General said and about what I might say. My point is to simply reinforce what the Auditor-General has said about political advertising in this state and emphasise how disgraceful it all is.

The Auditor-General examined the publications and said they emphasise many of the positive achievements of the government. However, they also contain a number of strategically placed photographs of government members, particularly the Premier. The Auditor-General makes the point that it is not appropriate to promote the government in the manner used in those publications. It is not appropriate day after day and week after week to be putting out the types of publications I have in my hand, which have photographs of the Premier on the front of them.

I have a whole host of those publications with me. The 20 or so yellow tags honourable members can see attached to the 15 publications I have in my hand are attached to pages which contain photographs of either the Premier or other government members. The Auditor-General specifically recommended against that kind of practice.

Hon. Rosemary Varty - On a point of order, Mr Deputy President, the Leader of the Opposition has gone out of his way to interpret what he thinks the Auditor-General is saying and is attributing meaning to the Auditor-General's statements. I ask the Leader of the Opposition to actually quote what the Auditor-General says in the report because in the context of what the Leader of the Opposition just said he was trying to reinterpret what the Auditor-General has said and attribute to the Auditor-General something he did not say.

The DEPUTY PRESIDENT - Order! Mrs Varty is quite right in what she says but there is no point of order. The strength of a member's argument is determined by the vote of the house and other members will have an opportunity of pointing out

any failings they believe exist in the arguments of fellow members. There is no point of order. Mrs Varty will have an opportunity during the course of the debate to discuss any of the comments the Leader of the Opposition is making that she considers to be incorrect.

Hon. T. C. THEOPHANOUS - The Auditor-General drew attention to the extent to which the promotion of the government and of individual ministers within the government is taking place in these advertisements. This example of trying to build an image and of trying to promote the government is just one small part of the attitude of the government on the spending of public money in this area. Taxpayers paid for virtually all of the Liberal Party's election campaign in 1992.

Hon. Bill Forwood - In 1992?

Hon. T. C. THEOPHANOUS - That is right, because DDB Needham worked on that campaign and was subsequently awarded a \$1.8 million contract for the sale of the SEC. It is not just a question of these promotions being party political in nature; deals are also done for the benefit of the Liberal Party, as occurred in that example. Of course, according to material compiled by AIM Data, which is an independent media analyst based in Sydney, the government's expenditure for advertising increased by approximately 38.9 per cent between January 1994 and January 1995. The expenditure on advertising is increasing and much of it is party political in nature.

One thing that epitomised the outrageous spending of taxpayers' funds was the erection alongside the Tullamarine Freeway near the Melbourne International Airport of the now infamous billboard which depicted a larger-than-life Mr Kennett and which cost Victorian taxpayers \$50 000 - \$50 000 for a photograph promoting the Premier! Honourable members should compare that expenditure of \$50 000 with the fact that the government was not prepared to give \$45 000 to the Grey Sisters. Of course, the Grey Sisters are not as high a priority as putting a photograph of Jeff Kennett on a billboard on the Tullamarine Freeway! It was a short-lived sign.

Many worthwhile programs could be paid for from funds currently used by the government for political advertising. The opposition has estimated the government has spent about \$54 million on political advertising. Let us contrast that spending with the fact that when it comes to real funding -

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS - I gave you a considerable list of examples. I look forward to you coming back with a list. The funds spent on political advertising should be spent on projects that benefit Victorians. For example, the Transport Accident Commission's campaigns on road safety and so on, which are designed to save lives, have been cut back. While the amount of public funds spent on political advertising for the Liberal Party is increasing, campaigns that make some sense and actually save lives are being cut back.

The preschool budget received an \$11.5 million cut. Surely the minister is not trying to suggest that \$11.5 million has not been spent on political propaganda by the government! If the government had cut some of its propaganda it could have used it on preschool education. It could have picked up \$11.5 million overnight by cutting its political advertising budget.

An analysis by the opposition found that 92 political advertisements appeared in suburban newspapers during the period from 29 January - when the federal election campaign began - until 27 February. The advertising blitz was a blatant political exercise targeting key federal marginal electorates such as Chisholm, Isaacs, Bruce, Dunkleigh, Ballarat, McMillan, Wills, Latrobe, Deakin and Jagajaga with political advertising about the local Liberal Party candidates. I have an extensive list which I will be happy to show to the minister. The newspapers carrying the advertisements included the *Frankston Standard*, the *Ringwood Mail*, the *Cranbourne Sun*, the *Berwick Leader*, the *Moorabbin Standard* and the *Hume Observer* - and the list goes on. Those advertisements appeared in that short period.

Hon. R. M. Hallam - Is that part of the \$54 million?

Hon. T. C. THEOPHANOUS - Of course it is part of the expenditure being used to promote the government for party-political purposes, and it is totally inappropriate! The New South Wales Carr government produced a document called *Carr Government Achieving*. Although it is not dissimilar to the documents produced by the government in this state, the Carr government paid back the cost of the publication.

Hon. R. M. Hallam - Why?

Hon. T. C. THEOPHANOUS - It was partly because of political pressure, but there was another important reason: New South Wales, unlike Victoria, has an upper house that is not controlled by the government. I reinforce my point that unless political pressure is brought to bear such things will occur. The Victorian government controls both houses of Parliament and it is able to do what it wants. It is able to spend public money in whatever way it likes; there are no controls on the way money is spent.

Conventions have been put in place in the United Kingdom precisely for that reason. No reasonable person would argue against those conventions, which provide that content, tone and presentation should not be party political. It is not acceptable for the government to say that because no previous government has done so, it is not going to do so. If the government accepted that principle it would not do anything about any situation. If you take the argument to its logical conclusion just about anything that is tackled - such as the drug or gun debate - w o u l d not be dealt with because former governments did not tackle it. It is nonsensical!

The U K convention provides that public funds should not be used to finance publicity for party-political purposes. The rule governs not only decisions about what is or is not published but also the content, style and distribution of what is published. The conventions established in other jurisdictions have worked. A New Zealand convention is based on the following principle:

A government should not ... disseminate material that:

is designed to promote, or has the effect of promoting, its interests above those of any other parliamentary grouping;

is designed to secure, or has the effect of attempting to secure, popular support for the party-political persuasions of the members of the government.

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS - I n answer to Mr Forwood, the conventions do exist.

Hon. Bill Forwood - If I want to know that I can read page 109 as well as you can!

Hon. T. C. THEOPHANOUS - You can read what?

Hon. Bill Forwood - Page 109. That is where that comes from!

Hon. T. C. THEOPHANOUS - I am quoting directly from the New Zealand document for your information, Mr Forwood.

Hon. Bill Forwood - It is in the back of the Auditor-General's report, Theo!

Hon. T. C. THEOPHANOUS - T h a t may be the case, but it is important to point out the conventions in New Zealand. The documents are available for honourable members if they are interested in pursuing the matter. We can develop guidelines which provide that information published should be accurate, and truthful without being misleading or deceptive. Information should be politically unbiased, lawful and relevant.

Hon. R. M. Hallam - I agree.

Hon. T. C. THEOPHANOUS - You say that you agree, Minister, but if you agree wholeheartedly it takes only a small step to establish a set of conventions to ensure it occurs.

Hon. R. M. Hallam - You said they were there already.

Hon. T. C. THEOPHANOUS - No conventions apply in Victoria, but conventions apply in the U K and New Zealand. Minister, you know as well as I do if the roles were reversed and you were standing here, you would be arguing in exactly the same way as I am about the need for such conventions.

Hon. R. M. Hallam - I would start with the definition of what is party political.

Hon. T. C. THEOPHANOUS - I take up the interjection of the minister. The minister should read the conventions and principles associated with the conventions; they provide a definition of the term 'party political'. The New Zealand conventions provide guidelines on scope, principles, standards and accountability. It is not adequate to say, 'There is no definition of party political', because there are definitions. They were provided by the Auditor-General and they have been provided in documents that were produced in the UK.

Hon. Bill Forwood - You haven't defined it.

Hon. T. C. THEOPHANOUS - I am happy to accept the definition of what constitutes

party-political documentation and what does not as set out in these documents. The documents deal comprehensively with these issues. I as an individual may have a definition of what constitutes party-political advertising, but the definitions contained in the documents can be applied.

The central issue is that the opposition acknowledges that it does not have all the wisdom on this issue. We want to develop a set of conventions on a bipartisan basis. We are making a direct offer to the government to work out a set of conventions so that this problem never occurs again. We could say, 'Here are the conventions, here are the standards', and it is a matter of applying those standards. That has occurred in New Zealand and the United Kingdom and is what should occur in Victoria. The opposition is making a genuine offer to the government to develop conventions that can be implemented. It is doing nothing more than supporting the views outlined in the Auditor-General's report. I urge members opposite to think carefully about the motion, which is not overly critical, but is one that supports the principles outlined by the Auditor-General and seeks to have conventions developed on a bipartisan basis. The motion ought to receive the support of all members, and I urge honourable members to support it.

Hon. ANDREW BRIDESON (Waverley) - The house has just heard the normal 15 or 20-minute Wednesday morning diatribe from the Leader of the Opposition. The government agrees with the principle set out in the motion. Both sides of politics agree that public funding for political purposes is inappropriate, but the government rejects totally the offer that it establishes conventions with the support of all political parties. It does not believe public funds were used for party-political purposes. It does not consider it necessary to have conventions.

It was put to Mr Theophanous many times during his contribution that if he thought this was such a serious issue why did he not implement the proposals during the 10-year period of the former Labor government's administration. He had no answer to that. The government rejects the motion and the arguments advanced by the opposition.

Mr Theophanous failed to mention the behaviour and attitudes of the former Labor administration to criticism by the Auditor-General. Mr Theophanous is demonstrating that he is the master of double standards. He is the ultimate hypocrite. It is the pot calling the kettle black.

Mr Theophanous failed to mention the Auditor-General's supporting comments: that ministers and departments have accepted in good faith some of the recommendations of the Auditor-General and are implementing those recommendations or considering implementing them in the future. Mr Theophanous failed to advise the house in relation to party-political advertisements, particularly the electricity advertisement, the response of the Department of Treasury and Finance. He failed to produce any facts or definitions of what is party-political advertising. He failed to produce examples from the material put to the public of party-political advertising. He failed to say that the Auditor-General states on page 13 of special report no. 39:

The absence of relevant Victorian conventions makes any assessments relating to the propriety of publicity funded advertising and promotional material a matter of judgment.

I remind Mr Theophanous that the electorate had its say at the last election. I now refer to some of the scandals that occurred during the administration of the former Labor government. In September 1984 the Cain government hired a \$62 000-a-year market manager to revamp \$26 million of publicity services and promote the image of the government. Of that budget \$12 million was spent on radio, television and press advertisements, while another \$2 million was spent on advertising agency fees. There were 313 full-time and 31 part-time publicity officers employed in government departments costing \$8 million!

In March 1988 freedom of information requests revealed the government had spent \$3.57 million on promoting and advertising the Youth Guarantee Scheme despite a damaging report from the Auditor-General. It does not matter what Auditor-General's report one looks at, every report is scathing of the administration of the then government.

In the Auditor-General's April 1988 report he examined the administration of the then Department of Labour. Expenditure on market research and advertising was evaluated and the Auditor-General said this:

Under the department's occupational health and safety and youth guarantee programs consultants were engaged to conduct market research and advertising campaigns. At 31 December 1987, costs of consultancies

for market research and advertising campaigns exceeded \$535 000 and \$1.370 million respectively.

The report goes on and is even more damning. It says:

The department was unable to provide evidence to audit, indicating:

the basis on which monitoring and assessment of the market research consultancy had been undertaken; and

that appropriate benchmarks and objectives had been set at the commencement of the advertising campaigns or that the effectiveness of the campaigns had been evaluated.

11 The Auditor-General went on to make suggestions in line with some of the suggestions in the current Auditor-General's report, and the Labor Party failed to put them into practice. Today the Leader of the Opposition is claiming that we ought to stand together and implement such conventions.

Honourable members interjecting.

Hon. ANDREW BRIDESON - There is yet another example, from August 1991, of the Labor government's roting and scandals. It employed a company called Thomson White and Partners/PCB to produce a media campaign to promote the manufacturing industry for the then Department of Manufacturing and Industry Development. What was the cost? It was \$485 000 - for a party-political advertising campaign.

Back in 1991, the same company ran a two-stage media awareness campaign for the then Department of Labour. All honourable members will remember the Wageline advertisements - not long before the election. What was the cost of that venture? It was \$848 994! Would you believe that almost half of that amount did not gain approval from the State Tender Board?

Another roting was the engagement of Republic Advertising, at a cost to the taxpayer of \$768 000.

Hon. Bill Forwood - Jobs for the mates, this one was!

Hon. ANDREW BRIDESON - It certainly was, Mr Forwood. What was this promotion? It was to explain Victoria's electronic gaming machines. Who receives a mention in this? None other than a former member, David White. And \$268 000 was not put to tender.

Between 1989 and 1992, another former Cain government media unit adviser or employee, David Withington, received \$268 000 in consultancy fees. Of course he was appointed project manager by the Office of Gaming.

Another person worthy of mention is Barry Donovan, a former head of the Cain government media unit. He had only eight consultancies, but between 1988 and 1992 he was paid \$191 000 by the government. Some of those consultancies lasted six months. The interesting thing is that as soon as one consultancy finished, the following day there was another for Mr Donovan.

The rotings continued. In the Auditor-General's report 1986-87, reference is made to contracts that were let for the engagement of consultants to conduct overseas advertising campaigns for then Victorian Tourism Commission, on which \$2.56 million was spent. The Auditor-General states that:

These were entered into without first forwarding the supporting documentation to the Effectiveness Review Committee and State Tender Board. In both these instances the commission engaged the advertising agencies without first calling for competitive tenders ..

Honourable members interjecting.

Hon. ANDREW BRIDESON - In the November 1990 report part 7 is headed 'Advertising, promotion and public relations'. The Auditor-General states that

Advertising and promotional expenditure on Met Ticket incurred by the PTC during 1989-90 amounted to approximately \$1.8 million ..

Public relations expenditure incurred by the Ministry of Transport in relation to Met Ticket amounted to \$970 000 during 1989-90.

What was the success rate of those campaigns? They were abysmal failures and the Auditor-General has gone to great lengths to say so in that publication. As we are talking about government wastage an interesting aside is the excessive printing of tickets. I know the Minister for Transport in the other place has had a lot of fun putting the facts on the record. Part of the wastage was the amount actually spent on printing the tickets. Enough scratch tickets were printed for 137 years. That's how many tickets were printed. It's just another example of the wastage inflicted on the public of Victoria by the previous government.

What are some of the positive aspects of the Auditor-General's report on marketing government services? I refer to some of them. On page 3, under point 1.1.2:

The audit found that major marketing campaigns were generally well planned and managed.

Under 1.1.4:

... a contract set in place in 1992 which consolidated the purchase of media space and time has strengthened the government's negotiating power and resulted in considerable savings.

At page 4, under point 1.1.6:

Most advertising and promotional material examined during the audit was found to be clearly aligned to organisational objectives.

There is no more telling point than that. Last week in answer to a question without notice the Minister for Tourism reported on the successful tourism advertising campaign. That campaign, as all honourable members know, won Australian and overseas gold awards for its effectiveness.

On page 7 of the Auditor-General's report, under the heading of 'Marketing principles', the following appears:

Sound planning and management frameworks were found to be in place for most of the major campaigns examined.

The Auditor-General also says that the campaign:

... achieved by the Victorian Workcover Authority and Tourism Victoria, could result in reduced costs for some organisations.

There is another positive point. It is important to put on record also the response at page 14 by the secretary of the Department of Premier and Cabinet that:

The report is a review of advertising, not a review of marketing.

The secretary continues:

The government's marketing strategies are embedded in the corporate and business plans of departments and agencies and government advertising needs to be seen in this context. The report does not do this ...

Notwithstanding the difficulties with the narrow focus of the audit, the report makes a number of useful suggestions, many of which have already been implemented.

The government does not accept audit opinion that some of its published material is inappropriate.

I said before that I would put on the record the response on page 79 of the report that the Department of Treasury and Finance does not consider that the advertising was party political.

In relation to electricity industry reform, the objective of that advertising campaign was to merely inform the public of the changes that were to take place; in no way was it party-political advertising. If honourable members can recall those advertisements, the views of many people were sought; they were filmed expressing those views; and that was played on television, and so on. In the campaign, which was entitled 'Expert speaks', the views expressed in the advertisements were the views and opinions of the people participating in the advertisements. They certainly were not party-political advertisements: the purpose of the campaign was to inform the public.

There is probably not much more we can say about the issue. The Leader of the Opposition has failed to produce facts, to give his definition of party-political advertising or to produce examples of party-political advertisements. While we agree in principle that public funds should not be expended on party-political advertising we reject Mr Theophanous's offer in good faith to establish conventions. The motion will be put to the test in due course and it will fail.

Hon. D. A. NARDELLA (Melbourne North) - It is unfortunate that the government will not take the opportunity to fix a problem that has transcended both Labor and, according to the Auditor-General's report, coalition governments. We have the ability to put many radical changes in place and yet the government is not prepared to establish on a bipartisan basis conventions to minimise the amount of political advertising undertaken by governments and paid for by the public purse.

It is not a new phenomenon: when we were in government Mr Birrell consistently slated us for political advertising. I am not saying we were correct; I do not believe we were. We should not have undertaken political polling paid for out of the public purse. But this government should not try to

justify its political polling paid for out of the public purse just because we did it in office. That is not a logical argument. It was wrong to do it then and it is wrong now.

Hon. Bill Forwood - Yes!

Hon. D. A. NARDELLA - I agree.

Hon. Bill Forwood - We don't do it!

Hon. D. A. NARDELLA - You do it, and it is wrong! When you say something you should mean it. You cannot say something in opposition and change your mind when you get into office. It is not right to rot the system and misuse public funds, regardless of who is in government. That is one of the guiding principles, whether you are in opposition or in government.

Hon. Bill Forwood - You have different principles now you're in opposition!

Hon. D. A. NARDELLA - I was not in government at the time, but that does not excuse anything. The fact that we did it in government is not justification for this government to rot the system and use public funds for party-political polling. On page 873 of *Hansard* of 21 April 1988 Mr Birrell is quoted as saying:

These opinion polls are a vital political tool for any political party. When they cost nothing and are conducted in secret the value is enhanced enormously, but I challenge the government to come clean on its extensive public opinion poll program and to release those opinion polls, if it has nothing to hide.

The bottom line is that the government should abandon immediately its plans to spend further sums on the opinion polling program.

Hon. Bill Forwood - Did you do it?

Hon. D. A. NARDELLA - No, but that only supports the view I am putting today. Those polls should have been released.

Hon. R. I. Knowles - But they weren't.

Hon. D. A. NARDELLA - No, but they should not have been conducted in the first place. Mr Birrell went on to say that it was a classic waste of taxpayers' resources. He said, 'The Premier has been caught out using public funds in an improper manner for political projects and that as taxpayers

were forced to foot the bill they should at least be able to see what they paid for'. That was Mr Birrell's position in April 1988. He progresses the argument on 20 September 1989 where he is quoted at page 554 of *Hansard* as saying:

Honourable members will be aware of my interest in discovering how much money has been used on public opinion polls done in secret by the government, and designed to find out what today's flash issue may be, with the objective of turning that into a government statement

Recent freedom of information documentation provided to me discloses a rather chilling expose of how far that has gone. The opinion polls done by the government at the community's expense are part of the idea of either distorting or covering up the truth, or massaging the message, based on short-term whims. The Premier has claimed - and I believe it to be untrue - that this is done to provide extra information for the community about delivering services and programs. I therefore query how the Premier can justify spending public money on behalf of the Australian Labor Party ...

Mr Birrell accused the ALP of party-political polling and used the freedom of information legislation and the legal system to find out what that polling entailed. It is wrong for the government to now try to justify its position on the basis that it could not get access to party-political polling then. It cannot justify its position by saying, 'The Labor Party did it so we can do it'. The motion before the house is designed to keep Mr Birrell to his word and to tell the government that an opposition should be truthful and accountable for what it says from the day it becomes the government.

What a fallacious argument! We are asked, 'Why didn't you do it when you were in government?'. I believe we should have done it. Our performance in government was second to none on a number of issues. For example, we extended access to information under the Freedom of Information Act after the Hamer government had put it in place in the 1970s. However, this government has cut back and put restrictions on FOI access, putting it way beyond the reach of ordinary people and certainly the opposition.

A set of conventions must be put in place to ensure that whatever political party is in power cannot misuse its position for party-political polling, to which Mr Theophanous also referred in his address

to the house. There is no justification for the continuation of such polling using public funds.

One needs only to examine the sorts of questions asked in the AMR Quantum Victorian attitudes monitoring survey to realise their party-political nature. The survey asks about privatisation; the public transport system, other transport related issues - such as how people rate country Victoria's road system overall; gas and fuel; the SEC; the TAB; the health system, job opportunities in the state and so on. One question in the survey is, 'I would say there is an awful lot of people badly off in this state'. It asks questions about crime, ethnic affairs issues, recreation and education. The government can then use this information in a biased way without giving any other political party access to it.

The survey is capped off with the question: how do you vote? If that is not party political, I do not know what is.

Hon. Andrew Brideson - It is not.

Hon. D. A. NARDELLA - Is it not party political to ask someone how he or she votes? I suggest it certainly is when it is the last question in your survey and you do not let anyone else know the results. It is illogical for government members to argue it is not party political when opinions are gained and voting patterns and trends are assessed; yet that information is available only to the government to use in its own sectarian way. The problem with such surveys is that they are not made available to the rest of the community, so people are unable to make up their own minds and work through some of the issues raised. But that would occur if we had open government.

The previous Labor government was always criticised by the opposition of the day for not being open, but the tables have turned. We now face the hypocrisy of the then opposition saying, 'It's okay. We can do these things because we are in government and we have the upper hand'. That is not good enough. When the opposition has asked for the results of these sorts of surveys and gone to the Administrative Appeals Tribunal it has been denied access to the information. When in opposition Mr Birrell insisted that he and the opposition should have access to the results of party-political polls. However, he and the government are now reversing the position. His double standards are obvious.

Worse still, the government spent \$500 000 on AMR Quantum's research since 1993 for a three-year

project. But when the opposition went to the AAT seeking that information the government informed the tribunal it did not have the information, that any hard copies of it had been destroyed by AMR Quantum, and that the opposition could not have access to it because it was on a hard disk somewhere. The government said it was not its responsibility because AMR Quantum had the hard disk at its office. So, because the company is not on government property and it is not a government agency, the information is inaccessible to the Victorian public or the opposition. The government paid \$500 000 for information to which no-one can gain access. What an outrageous situation!

The government, the opposition and the community are unable to access that information because it is now in a private company in a computer somewhere, probably in South Melbourne. That should not be allowed to occur, regardless of who is in government. The conventions that must be developed for good government and probity in Victoria should be modelled on those in New Zealand and the United Kingdom.

Hon. Bill Forwood - I love it when you guys give us New Zealand as an example.

Hon. D. A. NARDELLA - When it comes to probity I have no problems quoting New Zealand because it has taken the first major step in ensuring that governments, because of their incumbency, cannot corrupt the political process or spend public money for private political surveys and monitoring services. That is why I quote New Zealand and the United Kingdom. They have actually had the strength, courage and backbone to put together conventions that protect their communities and the integrity of their political processes. I have no problems quoting conservative governments that have put together conventions that benefit their respective communities. That is what we should be doing in Victoria.

Mr Brideson made some most inconsistent remarks. He said he agreed with the principle of having conventions to ensure no private polls or advertising of a party-political nature were paid for from the public purse.

He agreed with the principle. But then, in an absolute turn, he said he rejected the offer for a convention. Now why would you agree with a principle, but then reject an offer for a convention, if you ever agreed with the principle? Because if you agree with the principle of having probity within the

government, where the government cannot and should not be in a position to be able to sort the system, you would agree with the motion before the house, you would agree with setting up a bipartisan committee to look at the conventions that should be put in place, and you would agree to work through things like definitions of party-political material - for example, how that material is checked by an independent body - to ensure that public funds are not used in a party-political way.

But he does not in a real sense agree with the principle because he does not in a real sense agree that we should work through these issues in a cooperative way. That is the sad part about it. We are putting to the house today that we should, as a mature society and as a mature government and opposition, be able to deal with very complex issues -

Hon. Bill Forwood interjected.

Hon. D. A. NARDELLA - You may laugh, Mr Forwood, but I do not think issues like drugs are a laughing matter. We can deal with those types of issues and with prostitution issues, but when it comes to making sure that there is probity in the government of the day, regardless of whether it is Labor or Liberal - I disregard the Nationals; they are just an appendage - we should have those guidelines in place.

It is serious when we hear the inconsistent argument. Mr Brideson says it is a matter of judgment whether political advertising has been put in place, yet he quotes an Auditor-General's report from when we were in government and says that his matter of judgment for that means that we were wrong; but when we bring the same issues to the attention of this house now, it is okay, because his party is in government. So he can go and waste taxpayers' money and throw it to the wind. The priorities of government members are not the communities they represent; their priorities are to benefit only themselves in a party-political way.

To wind up I say that today we have an opportunity to put together a bipartisan position and a set of conventions that we can all live with, whether we are in opposition or in government. This government, when in opposition, agreed with those principles through the attacks that it placed on us, and the community should not be placed at a disadvantage in these types of circumstances, just because the government and the opposition change their benches. We must have that probity uppermost

in our minds today. I urge honourable members to support the motion before the house.

Hon. ROSEMARY VARTY (Silvan) - The government not only does not support the motion but also does not support the arguments that have been put forward by speakers on the other side. They have not only not proven their case but have been more than usually hypocritical in their approach to it. They are always hypocritical about a range of things, but this one has to cap them all.

They have talked about proving the case on political advertising - and they say they have established that - yet Mr Theophanous talked about \$54 million worth of advertising; he must have had to define political advertising to arrive at that figure, yet he had the gall to come in here and not even define what he means by political advertising. Then all of them say, 'Look, we've all been naughty boys and girls in the past; we are coming here now with good faith and we want you to accept us in good faith and on good trust and abide by the rules'.

To hear this lot talk about abiding by the rules is just beyond comprehension. Abiding by rules? In the whole 10 years that you lot were in government, you not only did not abide by the rules; you rewrote the whole set of rules to suit yourselves. You did not abide by any of the standing conventions of government, whether it related to financial management, whether it related to lease back, or whether it related to the up-front payments that some of your previous ministers managed to obtain - something like \$54 million I think it was, too; it just happens to equate with the figure that Mr Theophanous suddenly comes up with for political advertising.

Hon. R. M. Hallam - He didn't have a convention for that one.

Hon. ROSEMARY VARTY - No; that was a totally new convention. And what did the Auditor-General say about that? But you are not prepared to accept what he said about all of that. You come in here, admit you are wrong and suddenly say you now want everyone to abide by a set of rules. And yet you will not define what you mean by political advertising. You have not once come up with an assessment of what political advertising is. You embark on a long-winded exercise of holding up various documents saying, 'We think this is political advertising' and then start to quote what it is that the Auditor-General is talking about. I will get to that in just a moment.

One of the other points made was that the Premier should not appear in any documentation. What absolute hypocrisy! Are we talking about government, or are we talking about the bureaucracy running the show? Are you putting the proposition that the public service should run the show? Is that what you were trying to postulate - that never on any occasion should any advertising contain any picture of any member of Parliament? Who do you want to put in it?

Mr Theophanous quoted some figures about increases in advertising costs. Let me put it on the record: in 1983-84 departmental advertising costs under Labor were \$2.1 million; when we got to 1989-90 those figures had risen to \$7.1 million - that is not a bad sort of an increase. In fact, it is far greater percentage-wise - -

Hon. D. A. Nardella - What is it now?

Hon. ROSEMARY VARTY - It is far greater percentage-wise than anything that he talked about. The number of people who were involved in those advertising campaigns reached sky high. The absolute hypocrisy of Mr Theophanous was evident when he talked about ministers on our side of the house and about campaigns that he says they were involved in that he - not the Auditor-General - says were party political, because a lot of the ones he talked about were not even discussed by the Auditor-General.

The Leader of the Opposition has dreamed up a whole lot of other issues which means he has to define for himself what political advertising is. When the Leader of the Opposition was the Minister for Consumer Affairs in the former government - -

Hon. T. C. Theophanous - You're a lightweight.

Hon. ROSEMARY VARTY - You were certainly a lightweight as the Minister for Consumer Affairs.

Hon. T. C. Theophanous - I did a good job.

Hon. ROSEMARY VARTY - We know all about it! I refer to page 718 of *Hansard* of 9 October 1991 where the Leader of the Opposition, who was then Minister for Consumer Affairs, is reported as responding to a matter raised in the adjournment debate by Mr Cox, a former member for Nunawading Province, about the Renters Have Rights campaign.

Hon. T. C. Theophanous - Don't you think they do?

Hon. ROSEMARY VARTY - That is not the issue; we are talking about an advertising campaign. The total cost of that campaign in 1991 was estimated at \$474 000, including \$335 000 for agency fees. The Leader of the Opposition talks about rorting the system and party-political issues, but one has to ask where those agency fees went. I shall be interested to hear from the Leader of the Opposition on that issue. And he has the audacity to talk about party-political advertising!

Turning to what is in the Auditor-General's report, it is worth repeating the comment made by Mr Brideson about the fact that although the report is entitled *Marketing government services* it really deals only with advertising. One of the problems with people in government, whether it be the Auditor-General or members of Parliament who have never worked in the private sector, is that it is difficult for them to come to grips with what marketing is about.

Hon. D. A. Nardella - Never worked in the private sector?

Hon. ROSEMARY VARTY - You certainly haven't.

Hon. D. A. Nardella - I have worked in more factories than you will ever work in.

Hon. ROSEMARY VARTY - The report in question deals almost exclusively with advertising. Honourable members who have been involved in marketing campaigns will know that a range of issues are dealt with in those campaigns, only one of which is advertising. For the Leader of the Opposition to make a judgment about the effectiveness or politicisation of a campaign based on only one element of that campaign not only does the Leader of the Opposition a disservice, it also does the Auditor-General a disservice when the Leader of the Opposition tries to reinterpret what the Auditor-General has said.

Hon. T. C. Theophanous - What do you think he said?

Hon. ROSEMARY VARTY - I will tell you what he said. Lead with your chin, Mr Theophanous. Of the seven dwarfs on the other side of the house, the Leader of the Opposition has to be Dopey!

At 1.1.2 of his overall audit conclusion, which is found at page 3 of the report, the Auditor-General states:

The audit found that major marketing campaigns were generally well planned and managed.

That is not the proposition put by the Leader of the Opposition. Not only was the Leader of the Opposition putting a political argument, he was also trying to run an argument that all campaigns are bad. The Auditor-General states at 1.1.3:

In relation to general marketing, planning and management was found to be poor with activities often conducted without documented objectives ...

That does not relate at all to the proposition put by the Leader of the Opposition. The Auditor-General states at 1.1.4:

Almost half of the costs associated with public sector marketing relates to advertisements placed in the media.

Again, the Leader of the Opposition has inappropriately tried to reinterpret the point made by the Auditor-General. The Auditor-General goes on to say in 1.1.6:

Most advertising and promotional material examined during the audit was found to be clearly aligned to organisational objectives.

If you take the argument of the Leader of the Opposition to its extreme, he was asserting that all departments are running politically motivated campaigns. That is not what the Auditor-General says.

Hon. T. C. Theophanous -- That is not what we are saying.

Hon. ROSEMARY VARTY -- That is what you are trying to postulate. The Auditor-General goes on in 1.1.6 to say that in the case of some publicly funded material propriety was a matter for debate, yet the Leader of the Opposition tried to paint a black-and-white picture about whether material was politically motivated.

At page 51 of the report one finds a response to the Auditor-General's findings on behalf of the Department of Treasury and Finance. That response makes it very clear what the department's attitude is to the statements of the Auditor-General and follows

on from the perception of what a marketing campaign is about. The response states:

The department does not support the conclusions reached and believes audit has incorrectly reached those views as a result of restricting the audit examination to the major advertising (electronic and print) initiative which occurred during the March/April 1995 period. The Auditor-General's report, despite its intended focus on a total marketing concept, has not taken into consideration the broader program of communication ...

That response shows that the premise on which the Leader of the Opposition has based his argument is absolutely unsubstantiated.

Hon. T. C. Theophanous interjected.

Hon. ROSEMARY VARTY - No, you made an interpretation of what the Auditor-General said. The Leader of the Opposition was not prepared to present any supporting arguments and just tried to reinterpret what the Auditor-General said - he has not even come up with a definition of party-political advertising.

Hon. T. E. Eren - What does it mean to you?

Hon. ROSEMARY VARTY - It is your debate. The government wants to hear from the opposition on the issue because the opposition is running the argument. The opposition should tell us what it is trying to do.

At page 77 of the report the Auditor-General goes into some detail about items that he considers were party political in nature. Let us examine those four or five points and then make an assessment of whether they are true or false. I dispute the failure of the Leader of the Opposition to come up with a definition of what party-political is.

Ten years of Labor mismanagement has crippled our public transport system with inefficiency and massive debt.

Does the Leader of the Opposition say that is not true?

Honourable members interjecting.

The DEPUTY PRESIDENT - Order! Mrs Varty has the floor. The interjections from both sides of the house make it impossible for Hansard, me and other

members to follow the debate properly. I ask members from both sides to desist from making constant interjections.

Hon. ROSEMARY VARTY - The next item says:

Given the economic tightrope that has been placed around Victoria's neck by the previous Labor administration, the recession and often rampant industrial action by militant trade unions, the Employee Relations Act is a crucial means by which that rope can be loosened and ultimately removed.

Does the opposition say that is not a true statement?

Hon. T. C. Theophanous - It is a political statement.

Hon. ROSEMARY VARTY - That is absolute rubbish. The next statement says:

The election of a Liberal-led coalition government ended a decade of what is now recognised as the worst period of public administration by any government since the Second World War.

That is a statement of fact.

Hon. D. A. Nardella - You might believe it, but it is untrue!

Hon. T. C. Theophanous - What did Mark Birrell say about political statements when he was in opposition?

Hon. M. A. Birrell - I said they should not occur.

The DEPUTY PRESIDENT - Order! This is the second time within 60 seconds that I have had to ask members on both sides of the house to cease constant interjections. Mrs Varty is referring to comments made in the Auditor-General's report. Every member who wishes to have an opportunity to make a comment about those quotations from the Auditor-General's report can do so during their contributions to the debate. I ask honourable members to use the appropriate means for comment rather than by interjection, which is disorderly and which does not assist the good debate that usually occurs in this house. I ask members to desist from comments and interjections.

Hon. ROSEMARY VARTY - I shall deal briefly with the issue of conventions. It was amazing that Mr Theophanous did not realise that the conventions were set out in the back of the

Auditor-General's report and he brought a lot of other material into the debate. No amount of conventions will determine whether an item is party political or whether it is something else. It is a matter of the interpretation of those conventions and the way they are applied. Regardless of whether any conventions are in place, the Auditor-General may still have to determine, even after applying those conventions, whether in his view there is an issue. In spite of Mr Theophanous's claiming we are all suddenly holier than thou and we will all agree to a wonderful new set of conventions that would solve the problem, it would not.

The Auditor-General has criticised a very small amount of advertising. He has not come out and said it definitely is or definitely is not political, because there is no test to apply. It is purely a subjective assessment made by him. Similarly, because Mr Theophanous has not provided a definition, his assessment must be subjective. He will not tell us what it is! The Auditor-General has had the guts to criticise parts of the government's advertising and to explain why he has done so. Mr Theophanous has not proved his case at all. We do not support the motion and we will certainly vote against it.

Hon. M. M. GOULD (Doutta Galla) - I shall make a couple of comments in support of the motion moved by Mr Theophanous and in response to Mrs Varty, who stated that the Auditor-General's report commented on the planning and management of the marketing and advertising campaigns undertaken in the public sector.

My reading of the report revealed to me that a number of criticisms made by the Auditor-General were based on the fact that there was no planning, research or data available. The Auditor-General said there were a number of deficiencies in the evaluation of the effectiveness of advertising and marketing campaigns. He referred to the large number of occasions when little research or data was available to assess the effectiveness of a campaign. The Auditor-General said other factors that could be taken into account were not made available to him. That is another indication that the advertising and marketing campaigns were not successful and therefore resulted in a waste of taxpayers' money.

The report said more than \$130 million was spent on marketing campaigns for the public sector. The Auditor-General also reported on the need to ensure that appropriate research is undertaken, especially on marketing strategies which may affect

non-English-speaking communities. This would ensure the marketing and advertising campaigns were culturally appropriate and put in the appropriate communication modes to reach different ethnic communities so that the programs did not go off the track again wasting taxpayers' money.

The Auditor-General also criticised the inability of the government to control or monitor the companies it employs to undertake marketing and advertising programs. He further criticised the fact that no guidelines existed to monitor the shifting approach of the community during a campaign and no strategy existed to redirect a campaign after any changes are noted.

Hon. Rosemary Varty interjected.

Hon. M. M. GOULD - I prefaced my comments by noting that the Auditor-General raised a number of issues. He said little or no research had been done and no monitoring procedures were in place during the course of campaigns to pick up any changes in community attitudes towards the government's strategies. As a result he said the campaigns could miss the target and be a waste of money. We must ensure that such strategies are put in place.

The Auditor-General reported that one of the reasons the programs were not in place was because the cost was too high. Under the general rule of thumb companies involved in strategy programs set aside approximately 10 per cent of the total budget of a particular campaign to fund research and data. I agree with what Mrs Varty said about marketing: it is not all advertising - I accept and acknowledge that. When undertaking marketing and advertising strategies, researchers must ensure that sufficient money is set aside to guarantee that appropriate research and monitoring is undertaken during the course of the campaign to check that the outcomes are being achieved. Millions of taxpayers' dollars are going down the tubes because campaigns are not having the desired effect! A considerable amount of money was spent by the government on its electricity campaign. I shall raise a couple of issues on that matter when the sitting resumes.

Sitting suspended 1.00 p.m. until 2.02 p.m.

Hon. M. M. GOULD - Prior to the suspension of the sitting I referred to the Auditor-General's report and its criticisms of the lack of structures in place for the planning of marketing strategies to ensure they have the desired outcome. I also referred to the

advertising campaign promoting the privatisation of electricity utilities.

Prior to the sale of the utilities the research showed the community did not understand the government's proposals. The government developed a strategy to inform the community so that by the end of the advertising campaign it would know what was going on. You all know what happened! Because of the lack of appropriate planning the market research conducted at the conclusion of the campaign showed that the objectives were not achieved; that the community still did not understand the proposal for privatising the electricity utilities. Not only did the campaign not increase the community's understanding of the proposals, but the negative attitudes towards the government's proposals increased. The campaign cost \$1.3 million of taxpayers' money, but it did not work because the appropriate strategies were not in place and money was not allocated to ensure the desired outcomes were achieved.

The Auditor-General referred to party-political advertising regarding 9 out of 17 items produced. The information gathered by the Australian attitudes monitoring survey is not available to the public and, as Mr Nardella said, is probably kept under wraps in a computer somewhere in South Melbourne. The monitoring survey raised a number of issues. It looked at party-political issues and issues not related to Parliament or the state government. For instance, it surveyed social security benefits for sectors of the community, which is a federal issue. It is inappropriate for taxpayers' money to be spent on surveys not related to state government administration. The monitoring survey also canvassed the voting intentions of members of the community - that is a private matter and is not something about which the government should seek information.

The Auditor-General raised a variety of issues regarding the inappropriate use of taxpayers' money and achieving desired outcomes. He referred to the fact that the Carr Labor government of New South Wales conducted surveys similar to those conducted by the Victorian government but was required to reimburse the money. Will this government repay the \$300 000 cost of the advertising campaign? The results of the surveys have not been made available to the public. Will the government agree to develop guidelines for monitoring campaigns so that a convention can be established on a bipartisan basis?

The opposition has referred to the approximate \$130 million cost spent on advertising and marketing of government initiatives. By not implementing appropriate strategies the government has abused the privileges given to it by taxpayers. The answer to the Auditor-General's report, 'Are you being served?' is obviously no, we're not. The community is losing money and is not being served. I ask honourable members to support the motion for establishing a convention to ensure taxpayers' money is not misused in the future. I commend the motion to the house.

Hon. C. A. STRONG (Higinbotham)-! oppose the motion because, firstly, it will not achieve what it seeks to do and, secondly, it illustrates the hypocrisy of the opposition. Although the Deputy Leader of the Opposition has outlined how she would run a marketing campaign, Mr Nardella, in trying to be all-embracing, says it does not matter whether members sit to the right or to the left of the chair; everyone should have consistent views on issues. He said the former Labor government was guilty of conducting party-political advertising, but he did not say that at the time - it was not prepared to admit to those transgressions. It is only now when the Labor Party is on the opposition benches that it admits to those things.

There is hypocrisy in saying we need to be consistent when by their own presentation in this place today they put a different position from that put when they were on this side of the house.

Honourable members interjecting.

Hon. C. A. STRONG - Another example of hypocrisy is hearing Mr Theophanous reading a list of publications that he said were party political. He listed many more publications than are referred to in the Auditor-General's report. He then proceeded in the most breathtaking fashion to go through and make up - which is the only way to describe it - a cost for each of the particular issues, all of which came to something like \$54 million. It is just a breathtaking figure, invented out of thin air.

Hon. T. C. Theophanous - You tell us how much it is.

Hon. C. A. STRONG - I am about to tell you. On page 19 of the Auditor-General's report it says \$188 million for all the publications. It is just unbelievable how you make these things up!

It is important to put a few facts on the record about what the Auditor-General has said. He has clearly said that the number of what he sees as transgressions are very small. Throughout the report he says that by and large the system is being run with great probity. Time and again, he says things are in his opinion; in his judgment; that it is a question of judgment; that it is a grey area. There are qualifications like that throughout the report. There has not been any lack of probity. It needs to be said that his words are that they are grey areas; they are matters of judgment.

Hon. T. C. Theophanous - Where are you quoting from?

Hon. C. A. STRONG - If you read the report you would know, Mr Theophanous. If I could now turn to why this is a pointless motion - -

Hon. D. A. Nardella - What, the Auditor-General's report?

Hon. C. A. STRONG - No. If you had listened to my introduction you would have heard me say that I oppose the motion because of your gross hypocrisies, and because what is sought to be achieved by the motion will not work.

Why is it that no jurisdiction in Australia has such a convention? Because the nature of advertising will still be a question of judgment at the end of day. The Auditor-General looks at New Zealand and Great Britain where there are such conventions. I can distinctly remember that when I was in New Zealand last year the papers were full of this type of thing. One side was accusing the other of rorting advertising or not living by the convention. Because these are and will always be questions of judgment and they will always be grey areas, all a convention does is give a different benchmark on which to argue.

Those who read the international papers will know that currently such a debate is being conducted on the same issue in the United Kingdom under John Major. That is why no jurisdiction in this country has such a convention. To elaborate on that, I turn to page 109 of the Auditor-General's report where he talks about the conventions that are in place in New Zealand and Great Britain. Specifically talking about the one in New Zealand and the framework there, he refers to what is permissible:

A government may, for example, disseminate material that

explains its policies ...

Then we go down a bit and he says:

A government should not, for example, disseminate material that

is designed to promote, or has the effect of promoting, its interests above those of other parliamentary groupings ...

Hon. T. C. Theophanous - This doesn't do that?

Hon. C. A. STRONG - Just listen to me and you might understand what I am trying to say. If you think about that, if a government is promoting its policies and getting its messages across, that is a legitimate use, according to the New Zealand convention of spending public money on advertising. If a government is promoting a party policy, then it is deemed not to be a legitimate use.

Hon. T. C. Theophanous - Like privatisation, for example.

Hon. C. A. STRONG - It will always be an extremely fine line. Just think about the two things I have just read out. How difficult will it be to say: here I am promoting a government policy; we, a party elected to government, will promote a government policy, which is the party policy of the government - and that is legitimate -

Hon. T. C. Theophanous - It is not legitimate.

Hon. C. A. STRONG - According to the New Zealand convention it is, and that is what the Auditor-General measures it against. On the other hand, to promote and advertise a party policy is not acceptable. Obviously that will always be a matter of extremely fine judgment. It will always be a grey area.

Hon. T. C. Theophanous - That is why you need conventions. You are supporting my point.

Hon. C. A. STRONG - The value of having such a convention is doubtful in the extreme. In conclusion, I ask: what is the difference in the way we have handled advertising from the way the members opposite handled it when they were in government? We used careful judgment, and maintained extreme probity in drawing that line because we know what is right and what is wrong. We have followed that judgement, and we have not in any way breached the considerations. Whereas you on the other hand did, and the Auditor-General clearly said you did; you have admitted you did.

You have declared yourselves guilty, whereas we are not.

I reject the motion as absolutely irrelevant and a display of hypocrisy in the extreme. I urge the house to vote against the motion.

Hon. T. C. THEOPHANOUS (Jika Jika) - The opposition has moved a motion today based on the findings and recommendations of the Auditor-General. I make it absolutely clear that in voting against this motion honourable members will be voting against the Auditor-General's findings and recommendations.

Government Members - Wrong!

Hon. T. C. THEOPHANOUS - That will be the effect of voting against this motion.

Government Members - Wrong!

Hon. T. C. THEOPHANOUS - The motion is absolutely clear: that this house endorses - not what the opposition says, not what I say, but the Auditor-General's findings. That is what the motion says. It says also that the house endorses the Auditor-General's call to establish conventions.

So it is quite clear and it ought to be dear to every member here that if he or she votes against this motion, he or she is voting against the Auditor-General's findings and against the Auditor-General's recommendations about conventions. Nothing is clearer than that, because that is exactly what the motion says.

It is easy for people to try to drum up examples of advertising campaigns that might have been undertaken in the past. Mrs Varty raised the question of the Renters have Rights advertising campaign. When the advertising was proposed I as the minister responsible did not agree with it. I thought renters had responsibilities as well as rights. As a result the campaign was not 'Renters have rights' but 'Renters have rights and responsibilities'.

Anybody can defend or attack an individual viewpoint, as the Minister for Industry, Science and Technology has done and as we on this side of the house have done; but at the end of the day when the speeches and the attacks are over, we should vote for the Auditor-General. It is not good enough to say, 'You have not adequately defined what you mean by political advertising', and I will leave why. It is not so much a question of definition as one

of standards and guidelines. Various established standards can be used as the basis for a set of conventions. For instance, advertising material should not denigrate another political party; such material is certainly political in nature. The advertising undertaken by this government did not follow a standard.

Hon. Bill Forwood - We advertised that you wrecked the state. That's a fact!

Hon. T. C. THEOPHANOUS - It is an opinion, and it is your opinion! It is not our opinion and it is not the opinion of the 46 per cent of the Victorian public who voted for the ALP. Members of the government have a responsibility to respect people's opinions as highly as they respect their own, but they have not done it and they do not intend to do it.

That type of advertising should not be undertaken by the government, it should not be paid for by the Victorian people and it should not denigrate another political party. It should not put forward points of view that are contested. If the government wants to advance its points of view, the other party should be allowed to advance an alternative. If you want to advance the opinion that privatisation is great for Victoria, fine. However, you must give equal space to the opposition because it does not agree with you. The 46 per cent of the population who voted for us do not agree with the government and they have a right to have their points of view put forward. Material that seeks to promote the government or its ministers rather than provide information should not be paid for by the people.

There are other examples such as the vilification of others. Sometimes government advertisements vilify people on the basis of their race, gender, religion, political opinions or physical disabilities. The advertisements ought to accord with certain standards. Members of the opposition will pursue this matter and, given that the government refuses to vote for the Auditor-General, will come back to this place with our own bill that will set standards and guidelines. Then the people of Victoria will know that one political party will in government introduce those conventions on their behalf. We will put them on the table. Essentially, the motion is about whether honourable members want to vote for or against the Auditor-General. I urge the house to vote for him.

House divided on motion:

Ayes, 9

Eren, Mr	Power, Mr (Teller)
Gould, Miss	Pullen, Mr
Hogg, Mrs	Theophanous, Mr
McLean, Mrs	Walpole, Mr (Teller)
Nardella, Mr	

Noes, 32

Asher, Ms	Furletti, Mr
Ashman, Mr	Hall, Mr
Atkinson, Mr	Hallam, Mr
Baxter, Mr	Hartigan, Mr
Best, Mr	Katsambanis, Mr
Birrell, Mr	Iknowles, Mr
Bishop, Mr	Lucas, Mr
Boardman, Mr	Luckins, Mrs
Bowden, Mr	Powell, Mrs
Brideson, Mr (Teller)	Ross, Dr
Cover, Mr	Smith, Mr
Craige, Mr	Smith, Ms
Davis, Mr D.McL. (Teller)	Stoney, Mr
Davis, Mr P.R.	Strong, Mr
de Fegely, Mr	Varty, Mrs
Forwood, Mr	Wilding, Mrs

Pairs

Nguyen, Mr	Wells, Dr
------------	-----------

Motion negatived.

QUESTIONS WITHOUT NOTICE

Employee Relations Commission: decision

Hon. T. C. THEOPHANOUS (Oika Jika) - I refer the Minister for Industry, Science and Technology to the decision of the Employee Relations Commission of 15 December last year in which it strongly criticised the government for amending the Employee Relations Act to remove a statutory entitlement for employees to be paid for overtime. Given the commission warned this would result in discrimination, confusion and exploitation, why has the government failed to amend the act to protect Victorian employees, and will the minister give an undertaking to do so?

Hon. M. A. BIRRELL (Minister for Industry, Science and Technology) - I am not too sure that the Employee Relations Commission criticised the

government. It might be the way you would interpret it.

Hon. T. C. Theophanous - It said it would lead to discrimination, confusion and exploitation.

Hon. M. A. BIRRELL - I think the word used was 'criticism'. That is an unfair reflection on the Employee Relations Commission. I welcome its advice and its input, even that received before I became minister. But the government does not have plans for legislative change in that area.

Public sector: accrual accounting

Hon. PHILIP DAVIS (Gippsland) - Will the Minister for Finance advise the house on progress in the shift to accrual accounting in the Victorian public sector?

Hon. R. M. HALLAM (Minister for Finance) - I am very proud to report today that we have on this occasion formally released a trial consolidated financial report of the Victorian government. In fact, it was released by my colleague Alan Stockdale, the Treasurer of this state, earlier today. I make the point that, sure, the report goes to 30 June last year and I acknowledge it is unaudited, but in fact it is a massive breakthrough. It represents a first for the public sector. I suggest it is not only a first for the public sector in this state but it has great significance on an international level as well.

Apart from the logistics of bringing together every arm and agency of government into one report, it is a very impressive document on three counts. First of all, it brings government into line with the accounting and reporting procedures and standards that apply in the private sector. So, to that degree the report is well understood and, I submit, very welcome indeed.

In terms of transparency, accountability and better assessment of the stewardship of government, I suggest this document is very significant indeed. In addition to that, it formally includes the asset base of the state, which in itself is a major breakthrough. That raises a whole range of sensitive issues, as Mr Theophanous would understand, such as how we might go about the valuation of those assets and how we might address the issue of depreciation. I acknowledge they are very big decisions, but this is, for the first time, a document that records and recognises the assets themselves. On that basis alone, and particularly in terms of the management of those assets, it is a great start

However, this document is even more significant on one other count: it introduces for the first time a report in respect of the public sector of the state which is prepared on an accrual basis as opposed to a cash-based accounting system. That means simply that the report is based on the recognition of the transactions as they actually occur rather than the cash implications or results that flow from the transactions. It is a great advance in that context because it overcomes the opportunities for governments to manipulate the time differences that that involves and, indeed, to camouflage the real financial position of the public sector. I might just say in passing that the previous government was particularly adept at doing that.

More importantly, what it does based upon accrual accounting is give managers throughout the public sector real information on which to base their management decisions. It is not so much the value of this document itself that I bring to the house but the basis on which it is compiled. Because it seems to me the breakthrough is in respect of the improvement in the information that we give to our managers. I point out that we can hardly expect our managers to take good decisions and to do so consistently if we do not provide them with the appropriate and timely information on which to base those decisions.

The report released today by the Treasurer is a major breakthrough, and I extend my genuine congratulations to the Treasury officers who have been responsible for bringing it about.

Employee Relations Commission: annual report

Hon. D. A. NARDELLA (Melbourne North) - I refer the Minister for Industry, Science and Technology to the 1995 annual report of the President of the Employee Relations Commission which criticises the government's industrial relations legislation because of its failure to give the commission compulsory powers of conciliation and arbitration. Given that this is the second occasion on which the commission's president has highlighted deficiencies in the Employee Relations Act, will the minister give an undertaking to the house to amend the act in line with the commission president's recommendations?

Hon. M. A. BIRRELL (Minister for Industry, Science and Technology) - I, too, read the *Age* article yesterday on this point.

QUESTIONS WITHOUT NOTICE

Wednesday, 5 June 1996

COUNCIL

341

Hon. T. C. Theophanous - Have you read the report?

Hon. M. A. BIRRELL - I have certainly read part of the report

Hon. T. C. Theophanous - So, you haven't read the report?

Hon. M. A. BIRRELL - Not cover to cover. It is usually the sort of thing I take home for the weekend and look forward to reading!

It is unfair to say the report is critical of the government. I am sure that would not be an interpretation the Employee Relations Commission would want put onto its words. In our view the *Age* report does not accurately reflect the president's views in the annual report, but I would certainly expect the president to report to the Parliament on matters like procedural difficulties and issues of that nature, because that is exactly the charter under the act and that is exactly why we would want that report. The president comments on the operation of the act over the past year, as required by section 104 of the Employee Relations Act 1992. It is entirely appropriate for the President to be able to put forward her views.

The *Age* article also said that the president criticised the unfair dismissal system on the grounds that workers favoured the federal jurisdiction. It was pointed out that the Victorian system differs from the federal system. That is a deliberate decision of this Parliament. We know that the Australian Labor Party disagreed with that; it presumably voted against that proposal at the time. But that is a decision of the duly elected Parliament of Victoria, and I will not apologise for that decision-making process.

The Victorian system does offer reinstatement; the Victorian system does not offer compensation. This is a deliberate government policy. It may be that some people do not share that view about the deliberate government policy, and we are happy for people to express their views on that. But if the question is, 'Is that government policy going to change?', the answer is no.

Quit campaign

Hon. K. M. SMITH (South Eastern) - Will the Minister for Health advise the house of the government's support for strategies to reduce the number of tobacco-related deaths in Victoria?

Hon. R. I. KNOWLES (Minister for Health) - I thank Mr Smith for his question. He has not been known in the past for his strong support for anti-smoking campaigns -

Honourable members interjecting.

Hon. R. I. KNOWLES - But no-one is beyond conversion, and I thank Mr Smith very much for that question. It is an important question because this week is Quit week. Most honourable members would recognise that the Quit campaign has been very effective in helping Victorians who wish to give up smoking to do so. All the research shows that something like 80 per cent of those who do smoke want to give up, but because of the addictive nature of nicotine, for many people that is extremely difficult.

Quit week is a week for focusing public attention on the assistance and support that is available. Victoria has a proud record across a whole range of initiatives to tackle the issue of tobacco abuse. It is probably appropriate that in the week following this Parliament's debate on drugs generally we are focusing specifically on the problems caused by tobacco smoking, because it is the most significant contributor to preventable deaths and we need to continually increase our efforts to reduce the level of tobacco consumption in our community.

One of the initiatives being implemented this week is an intensive study of 2000 smokers over a three-year period. It will be conducted by the Centre for Behavioural Research in Cancer in association with the Quitline and the Anti-Cancer Council. The purpose of the study is to look at the experiences of the 2000 smokers, and at the operation of the existing information, education and rehabilitative programs, to identify where there might be gaps in that service system, and how we can address them.

Funding of \$200 000 has come from the National Health and Medical Research Council and is coming to Victoria specifically because of the recognition of Victoria's expertise in establishing and conducting these programs. Participants in the study are being recruited this week from among these who are contacting the Quitline. I was out there yesterday; they have already recruited a thousand and over the next few days they will be completing the selection of individuals who will participate in the survey, and they will be monitored closely. I am sure that this study will be an addition to the development of ongoing strategies to reduce the level of tobacco consumption in our community.

Hospitals: closure

Hon. JEAN McLEAN (Melbourne West) - Because of the grave concerns of many of my constituents, can the Minister for Health assure the house that his department is not considering the closure of the Williamstown hospital?

Hon. R. I. KNOWLES (Minister for Health) - I thank Mrs McLean for her question. I guess my answer is in the same context as the answer I gave to Miss Gould last week - t h a t the issue of all hospitals is being examined by the respective networks, looking at what the role is they are currently delivering, what the needs are of the community those services are currently servicing, what the appropriate mix is of services, and where the best location is of those services.

Hon. M. M. Gould - When will it be completed?

Hon. R. I. KNOWLES - A s I indicated to you last week, it will be in a few months' time, or later in the year, when the networks complete their work. They will then present those plans to the government and the government will consider the responses to those plans.

Hon. T. C. Theophanous - You will not rule out closure?

Hon. R. I. KNOWLES - M r Theophanous, I shall make it clear so we do not have to go through individual hospitals. I am not ruling in or out any particular service. What I am saying is -

Hon. T. C. Theophanous interjected.

Hon. R. I. KNOWLES - M r Theophanous, as soon as I nominate one, you will not want to know about it, but some of your colleagues will start asking questions about every other one.

Hon. T. C. Theophanous - I want to know about PANCH.

Hon. R. I. KNOWLES - P A N C H is going to the northern suburbs; that is already announced and we are in the final stage. Only a couple of weeks ago I was attacked because we had not actually made an announcement about the relocation of PANCH, and now he is wanting to keep PANCH!

My answer to Mrs McLean is in the context of the answer to a similar question that I received from, I think, Miss Gould - that is, that the networks are

developing plans which will look at the health needs of the western network, in particular how best to meet the health needs of the western and northern suburbs of Melbourne, how they will need to effectively structure those services to provide a more appropriate response, and where those services ought to be located in order that most people living in the western suburbs can access them all the time.

Honourable members interjecting.

The PRESIDENT - Order! Could the minister repeat the last four or five words, because I certainly could not hear them, and Hansard could not hear them, either.

Hon. R. I. KNOWLES - M r President, my point was that the network will be asked to deliver a plan which will ensure that we have the most appropriate mix of services to meet the health needs of those who live in the western and northern suburbs of Melbourne, and that those services are located as practicably close to where people live as can be viably delivered.

Marine pollution: oil spills

Hon. B. W. BISHOP (North Western) - Will the Minister for Roads and Ports advise the house of the state's preparedness for a major oil spill in state waters?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - T h e state's response to oil pollution incidents in this state is the responsibility of the Marine Board of Victoria, and is coordinated by the Victorian marine pollution committee. That committee is comprised of representatives from relevant government organisations and the oil industry, and responds to incidents in accordance with the Victorian marine pollution contingency plan. The plans are being developed with arrangements between the commonwealth and state governments, and are an integral part of the state disaster plan.

As I speak the state's preparedness is being tested by a major simulation exercise being conducted on Port Phillip Bay. The scenario is as follows. At midnight last night a 35 000 deadweight tonne tanker loaded with 30 000 tonnes of crude oil foundered on the Lonsdale Reef at Port Phillip heads and 1000 tonnes of that crude oil has leaked into the bay.

The advice I have received to date is that arrangements under the contingency plan are being

implemented, the actions taken would have prevented further oil leaking from the vessel and the escaped oil would have been contained. A simulated salvage of the vessel is planned to take place at high tide this afternoon. As a part of the exercise the Victoria Police have breathalysed officers of the ship and the pilot, and the Marine Board of Victoria has commenced an inquiry on the condition of the groWlded vessel.

The whole exercise is very important strategically for Port Phillip Bay and other Victorian waters and is currently being monitored by the Australian Marine Safety Authority. I am expecting a report at the end of the exercise on the effectiveness of the contingency plan and the performance of each of the agencies in responding to the plan.

Road safety: rural Victoria

Hon. PAT POWER Oika Jika) - The Minister for Roads and Ports is no doubt aware of a recent study of the federal Office of Road Safety which reported that coWltry drivers are almost 50 per cent more likely to die in a car crash than city people, that they regularly drink and drive, that they are indifferent about wearing seat belts, and that nearly two-thirds of fatal crashes on country roads involve rural drivers. Will the minister advise the house of any proposal he has developed to address this worrying trend in Victoria of country roads, country drivers and fatal accidents?

Hon. G. R. CRAIGE (Minister for Roads and Ports) - I thank the honourable member for his question and for his genuine concern for the current situation on country roads. The federal Office of Road Safety spends a lot of time and effort carrying out surveys and looking at data on problems such as bad road conditions, drivers not wearing seat belts, drink-driving and so on. Victoria has developed Safety First, a long-term program involving the TAC, the police - -

Hon. Pat Power - Is it an initiative of yours?

Hon. G. R. CRAIGE - It is an initiative of the government.

Hon. Pat Power - Is it an initiative of the Minister for Roads and Ports?

Hon. G. R. CRAIGE - M r Power is now after cheap shots. I thought he was genuine. It is a bit like the question he asked yesterday about road raging.

The PRESIDENT -Order! Don't worry about yesterday's questions.

Hon. G. R. CRAIGE - I have found out about it, so I am going to give an answer about the programs that have been developed. As I said, we will look at issues such as road raging and material provided by the federal Office of Road Safety. Road safety is high on the agenda of a meeting scheduled for Friday in Canberra.

Tourism: international visitors

Hon. B. N. ATKINSON (Koonung) -Will the Minister for Tourism inform the house of the latest statistics on international visitors to Victoria and comment on the implications for this state of those visitor statistics?

Hon. LOUISE ASHER (Minister for Tourism) - I thank the honourable member for his question and for his ongoing interest in the economic development of Victoria. The government has had a two-fold strategy: to increase both domestic and international visitors to Victoria. So far the domestic results have been particularly encouraging. For example, from July to December 1995 domestic trips have grown by 8 per cent compared with the same period in 1994 and national growth of only 6 per cent. So, domestic tourism has been expanding at a very pleasing rate.

However, I have great pleasure today in announcing figures on international visitation to Victoria in the year to December 1995, which were released recently by the Bureau of Tourism Research. We have very pleasing results in the international area as well. In 1995 Victoria experienced a 25 per cent increase in international visitor nights - 14.3 million visitor nights - compared with national growth of 8 per cent, growth in New South Wales of 7 per cent and growth in Queensland of 3 per cent. In addition, Victoria's market share of international visitor nights has increased by 2 per cent, and now represents 18 per cent of the market.

One of the most pleasing aspects of the figures is not just the growth but the fact that it results in a better yield per tourist to Victoria, which is line with the government's strategy. The second pleasing aspect of the recently released figures from the Bureau of Tourism Research is the 6 per cent increase in number of international visitors - a total of 890 490.

It is worth noting from where the international visitors come. The number of visitors from various

countries are up: Korea, 43 per cent; Thailand, 27 per cent; Malaysia, 15 per cent; and Indonesia, 14 per cent. The significant growth in international tourism shown by those figures sends the strong message that the Victorian government's strategy is on track. We are increasing the number of international and domestic visitors and, most importantly, we are increasing the yield from international visitors. This pleasing result vindicates the focus of the Victorian government on increasing the number of international visitors to the state.

Ambulance services: response times

Hon. T. E. EREN (Doutta Galla) - Has the Minister for Health obtained any details of the circumstances surrounding the death yesterday of a Melton woman who waited 16 minutes for an ambulance? If so, will he advise the house of details? If not, will he undertake to advise the house of the outcome of any investigation once it is completed?

Hon. R. I. KNOWLES (Minister for Health) - Like the honourable member I am concerned about the reported delay and have sought a report. When I have received an explanation I will make sure he receives a copy of it.

Premier's awards: medical research

Hon. R. H. BOWDEN (South Eastern) - Will the Minister for Industry, Science and Technology advise the house of details of the 1996 Premier's awards for excellence in medical research?

Hon. M. A. BIRRELL (Minister for Industry, Science and Technology) - I am pleased to advise the house of the winners of the 1996 Premier's Medical Research Awards. The winner of the main award is Dr Vasso Apostolopoulos, a brilliant, young Melbourne-based researcher, who has been recognised for her ground-breaking work in the field of immunotherapy.

Through her work at the Austin Research Institute, Dr Apostolopoulos has developed a new method of immunotherapy for treatment of tumours and for immunisation against a number of major diseases. Clinical trials are now under way. The research has been patented and the commercial potential for Victoria and Australia is considerable.

The recipients of the awards were chosen by a panel chaired by Sir Gustav Nossal, the recently retired Director of the Walter and Eliza Hall Institute. The awards are regarded as Australia's pre-eminent

awards and the victory for the young Melbourne-based researcher is one about which we should all be proud.

Three commendations were also awarded to Dr Karen Anderson, from Box Hill Hospital, for her research on developing a new class of drugs that can prevent lethal rhythm disturbances during heart attacks; Ms Helen MacLean, from the Royal Children's Hospital, who has conducted research into gene mutations, which may lead to a better understanding of genetic disorders; and Dr Kenneth Smith, of the Walter and Eliza Hall Institute, whose work has led to the development of technology which isolates B cells - an important factor in disease prevention as B cells play an important role in the production of antibodies.

We commend those winners. I am sure all honourable members will join with me to congratulate them on their achievements. They were presented with their awards this morning by the Governor in the presence of Sir Gustav Nossal.

It is appropriate at this time to pay tribute to Sir Gustav Nossal for his work. He said this morning it was 18 hours since he retired from his position as director of the Walter and Eliza Hall Institute. I understand he was with the institute for 34 years.

Many members have had frequent personal contact with Sir Gustav. He is one of the greatest scientists in the world and one of history's great Australians. It is important the house pays tribute to him in this way by recognising his achievements.

Honourable Members - Hear, hear!

BIOLOGICAL CONTROL (AMENDMENT) BILL

Second reading

Debate resumed from 4 June; motion of Hon. G. R. CRAIGE (Minister for Roads and Ports).

Hon. PAT POWER (Oika Jika) - The opposition wholeheartedly supports the Biological Control (Amendment) Bill and recognises it is an important piece of legislation. Because of their interest in rural issues I have no doubt government members will want to speak on the bill. I am sure their comments about the primary industry sector will underline the importance of the bill.

The bill will ensure that the Victorian Biological Control Authority is able to make decisions collectively with the commonwealth and other states and territories on the release of biological control agents. The bill defines the ministerial council which is used by the commonwealth, states and territories to reach agreement on the release of biological control agents. The bill also better defines the Victorian Biological Control Authority.

The Biological control Act 1986 forms part of the national framework of complementary commonwealth-state legislation which allows for the assessing and approval of proposals for the biological control of any weed or pest species.

Biological control is the release of a biological agent for the purpose of controlling a harmful target organism and it could take various forms such as an insect, rust or fungus. An example of a biological control agent includes the control of the weed prickly pear by an insect and the control of rabbits by myxomatosis.

A current example of a biological control and the reason the legislation is important is the rabbit calicivirus disease that has the potential to significantly reduce wild rabbit populations that cause great economic loss to primary producers.

The national framework of legislation was developed for the purpose of providing a mechanism for deciding whether any proposal for the biological control of a particular weed or pest would be in the public interest. Ministers representing each state, territory and the commonwealth are designated as the biological control authorities. Decisions in relation to such important matters can be made only on the unanimous recommendation of the ministerial council and in that sense the opposition is comfortable with what the minister said in his second-reading speech.

The front page of the *Weekly Times* of 20 March had the headline 'Killer virus hitch'. It says:

Australia will have to wait at least until May for a controlled release of the deadly rabbit calicivirus because of Victoria's failure to change restrictive laws. The primary industry and energy minister, John Anderson, said that all states except Victoria would have modified their biological control acts by the end of March in anticipation of the virus release. He said the final biological control authority report would be completed by the end of March but the control

program development would soon be hampered by Victoria's lack of legislative process.

It is not my intention to defend the Victorian coalition government because it is able to do that itself. Although I understand the spirit of the federal minister's intent, it was a bit unkind to criticise the Victorian government because it was well known there was to be an election in Victoria. I compliment the government and the opposition on the agreement to fast track the legislation because of its importance. I emphasise my comments were not meant to be a criticism of the federal minister. I understand the message he was trying to send to the community.

Honourable members will be aware the bill was widely supported throughout the community. The Victorian Farmers Federation supports the release of the virus. It is important to understand that one of the reasons for the legislation is that if appropriate authorities were to release the virus today, prior to amendments to the act being passed, a rabbit lover or perhaps somebody seeking to be vexatious could seek an injunction to stop its release.

We all know through newspaper reports that, despite the legalities involved in the release of the calicivirus disease, it has already spread not only to many parts of southern Australia but also to parts of northern Australia as well.

The rabbit calicivirus disease is a European rabbit disease - the European rabbit being the normal wild rabbit found in Australia. The rabbit calicivirus disease (RCD) does not affect any other species, including other species of rabbit and hare. The disease first appeared in 1984 in rabbit farms in China and has since spread throughout Europe and Mexico. No-one is sure where the disease came from, but it is believed to have mutated from another disease. RCD is now present in more than 40 countries throughout the world and since 1984 has resulted in the destruction of millions of wild rabbits.

RCD kills rabbits within three days of the initial contact with the virus. Those of us who have experience in rural areas with myxomatosis know that RCD is a more appropriate rabbit disease than myxomatosis. RCD is not spread by biting insects, as is the case with myxomatosis, but is spread by contact with other rabbits.

The first release of RCD in the Flinders Ranges resulted in the death of more than 90 per cent of the

rabbit population in that region. One of the reasons primary industries are so interested in RCD is its strike rate. The hope of the Department of Natural Resources and Environment and farm organisations is that the virus will keep the rabbit population under control for many years.

I am sure government members will touch on this issue - the level of damage that rabbits have done to rural areas, not just as some lay people suspect in the amount of crop they eat but as a result of the burrowing and erosion that follows. Government members may have a more accurate figure, but I understand it is possible to estimate the damage caused to the Australian agricultural economy as approximately \$600 million a year. I await with interest to see if there is a more accurate figure, but even if it is a ball-park figure, it is an extraordinary amount of money for an industry sector to lose as a consequence of the pest.

One of the important responses to the rabbit plague is the role Landcare groups have played in seeking to reclaim land damaged as a consequence of rabbit warrens. Governments of different persuasions have appropriately supported the work of Landcare groups, understanding and accepting the merit and worth of their work. The opposition will support this legislation and other legislation and regulations that support our farmers, country Victorians and rural producers, whether that is through Landcare programs, the rabbit calicivirus disease or whatever.

Land reparation is an issue that everyone agrees is of national economic importance. I do not think we can emphasise too much how important it is for all Victorians - regardl of where they might live or work or of their appreciation of rural industries - to understand how much damage rabbits do to primary production.

I take the opportunity to place on the record my particular concern and the concern shared by other members of the opposition about the need for strong checks and balances in the release of biological controls. I have no doubt government members will acknowledge that some people in the community are anxious that appropriate steps are taken to establish stringent checks and balances to ensure that viruses such as RCD focus on the rabbit population and that there is no prospect of cross transference to other breeds.

In the past 10 years the community and members of Parliament throughout Australia have debated the issue of biological controls, irradiation or other

particular treatments. I have no doubt that government members will agree that biological controls need to be properly policed and managed. The opposition supports the bill because it creates an umbrella that makes these stringent controls more likely to be put in place, which is not a criticism of state authorities or government.

I want to quote from the *Bulletin* of 11 September 1984 in which Graeme O'Neill, a science writer with the CSIRO, spoke out about blackberry rust and the damage that can occur when a virus is released without stringent controls and checks. I emphasise for the purpose of the record that blackberry rust was not released by a government agency, but by an individual. In his article in the *Bulletin*, Graeme O'Neill states:

Blackberries are rusting away in eastern Victoria and in northern New South Wales. Their leaves turn purple, then black as the disease advances.

Landholders will be silently applauding the unknown person who illegally imported a virulent strain of blackberry rust and released it earlier this year near the small Gippsland town of Hiawatha.

While landholders rejoice, the clandestine release has caused consternation among the state and federal authorities responsible for biological control. It poses massive risks to agriculture and could undermine the science of biological control in Australia. To find and test biological control agents can take years. Effective organisms must be found and then painstakingly screened to ensure they will attack only a particular weed or, at worse, a small group of closely related plants with no economic importance. Scores of other plant species must be exposed to a candidate insect or disease to see if it attacks or infects non-agent species.

In the same article, it is reported that Dr Max Whitten, who was then the chief of CSIRO's division of entomology, had arranged a seminar in Canberra. The purpose of the seminar was:

to inform parliamentarians and the media about trends in biological control and the potential impact of the new Biological Control Bill.

The bill was introduced into the House of Representatives on 6 June 1984. I haven't checked the records, but one can only assume that the legislation in the federal Parliament was the beginning of the federal/state legislation that we are putting in place in the chamber now. The article further states:

The bill will establish community benefit as a basis for positively authorising a biological control program and establish a formal mechanism for determining whether a program is likely to bring net benefit to the community... The bill proposes the creation of a ... commonwealth biological control authority - a position which would be held initially by the federal primary industry minister ... It would nominate all target weeds and pests and would seek objections by advertising throughout Australia.

In the event of objections, it could determine whether they were sufficient to halt a program that was in the public interest

The article concludes:

The legislation also specifies that any inquiry into a target pest would be able to consider compensating people disadvantaged by the release of biological control agents.

I make a point of that, emphasising that it does not contest the opposition's support of the legislation and agreement that the legislation ought to be fast tracked. But we put on record that we are aware of the reasonable concern in the community for stringent controls and checks and balances.

In conclusion, the opposition understands that the important part of the proposed legislation is in the authority it gives for the release of the RCD. It is clear that that release will be welcomed by all who are interested in the economics of primary industry. As somebody who is interested in rural issues, I place on record my appreciation of the fact that the opposition had the foresight to agree with the government's proposal that the legislation should be passed. I wish it well.

Hon. PHILIP D AVIS (Gippsland) - Firstly, I thank Mr Power for his very interesting contribution to the debate. This house works best when it works cooperatively and I appreciate the opposition's support for the Biological Control (Amendment) Bill.

Mr Power put much weight on the importance of rabbits and the consequences of the rabbit calicivirus disease impacting on feral rabbit populations and the economic impact on agriculture. We should not leave aside the fact that the greatest hazards to the Australian society from rabbits are the environmental hazards. The damage done by the European rabbit, of which it is estimated there are in excess of 300 million on the Australian mainland, is such that the annual economic loss cannot be

estimated. It is in the order of hundreds of millions of dollars. No-one can estimate the environmental damage. Much erosion in regional Australia is the direct result of over-grazing due to high populations of rabbits and particularly the tunnel erosion that is a consequence of the burrowing activities of the animals.

The bill is important because it progresses the release of the rabbit calicivirus, which will address some of the management issues associated with maintaining and controlling the feral rabbit population. I also point out that the benefit of the release of the rabbit calicivirus should not be overstated because if it is, there is a great risk that our farming or rural communities may take for granted that the rabbit population will be diminished to such an extent that they won't have to undertake the usual management practices, which are important - for example, ripping out burrows, poisoning, and ensuring there is a continued use of the myxomatosis disease. The experience in the 1950s with the release of the myxomatosis was that there was a high hope that we would see the end of European rabbits in Australia, but that did not eventuate. One of the reasons, of course, is that human beings, by their very nature, rather assume there is an easy way out, and by sitting back and letting the disease do its work, regrettably we missed an opportunity.

Hon. Pat Power - Through you, Mr Deputy President.

The DEPUTY PRESIDENT - Order! We are not in committee, so it had better be a quiet and quick interjection.

Hon. Pat Power - Is there any relationship between a fall in the rabbit population and a decline in fox numbers?

Hon. PHILIP D AVIS - The issue that Mr Power touches on is important because we are witnessing a strategy to try to reduce fox populations, which is an attempt not just to improve lambing performances but also to protect our native wildlife.

One of the consequences of a substantial reduction in rabbit populations will be a decline in fox numbers. If we find that in areas not affected by rabbit calicivirus there is a high increase in rabbit populations after that time elapses, we will need to be vigorous in encouraging our rural communities, that is the farmers, to observe all the appropriate management practices to ensure that this window of

BIOLOGICAL CONTROL (AMENDMENT) BILL

348

COUNCIL

Wednesday, 5 June 16

opportunity we have with the foreshadowed release of the rabbit calicivirus is not missed.

Coming back to the bill, I point out that it is not about the release of rabbit calicivirus. It is in fact an amendment to the Biological Control Act 1986, which was developed as a consequence of some uncertainty created in the early 1980s, when authorities moved to release insects to control Paterson's Curse, or Salvation Jane, as it is sometimes called.

There was an injunction against the release of the insect, so the federal and state authorities decided to establish a national code to deal with biological releases and to further facilitate and regulate the process. The Biological Control Act forms part of the national regulatory framework. The framework was built around the former Australian Agricultural Council, but because it is now the Agriculture and Resources Management Council of Australia and New Zealand (ARMCANZ), the Victorian legislation needs to clarify the responsible ministerial council and identify the responsible biological control authority. It will be the minister who will have responsibility for the administration of that act.

The straightforward technical amendments to the principal act will enable us to ensure that when the release of any biological control measure is proposed it can be done without fear of litigation or a delay in the proper administration of the relevant schemes. There is concern about the lack of proper technical consideration of the consequences of releasing agents, but the ministerial council is responsible for biological control releases on a national basis and a unanimous decision of all ministers is required. There is safety in numbers so if one state jurisdiction is concerned about the ability to release a biological agent the doubt can be clarified by discussion between the governments' officers.

The issues have been well canvassed in the second-reading speech and in the response by the opposition's lead speaker. My view is that as the bill has the support of both sides we should commend it to the house.

Hon. R. S. de FEGELY (Ballarat) - I support the bill because although it is only small it is very important, particularly for the agricultural industry. I thank the opposition for its cooperation and support. It is important to pass the legislation this session because of the delay to the legislative

program that occurred as a result of the election. We thank the opposition most sincerely.

The bill defines the ministerial council as the body through which the commonwealth, states and territories will be able to reach agreement on the release of biological control agents and better defines the Victorian Biological Control Authority. It also ensures that the authority will be able to make collective decisions with the commonwealth, states and territories and provide a proper basis in law for decisions about the release of biological control agents.

The second-reading speech states:

The Biological Control Act 1986 forms part of a national framework of complementary commonwealth-state legislation which allows for assessing and approving, where appropriate, proposals for the biological control of any weed or pest species.

That sums up the responsibilities those bodies have. The national body is extremely important to Australia and the public generally because it is responsible for deciding whether a proposal has efficacy and sufficient research has been undertaken and whether it is in the public interest and should proceed. Great responsibilities rest on the shoulders of those people. The release of an agent can be done only on the unanimous decision of the ministerial council. That council comprises the relevant ministers from each state or territory or the commonwealth. Each is designated to be the biological control authority of the minister's respective jurisdiction.

The authority was formerly called the Australian Agricultural Council, but it has had a name change. In the past four years a number of changes have occurred. The former Australian Agricultural Council has become the Agricultural Council Resource Management Council of Australia and New Zealand. The legislation clarifies the role of the council, enables it to be changed without further amendment to the act and simplifies matters for the future. The council will include the Treasurer, who administers the rural adjustment scheme, and the Minister for Conservation and Land Management, so the legislation has required a wider definition.

Whether the pests are animals or weeds, biological control methods are extremely important to Australian agriculture. As has been said before, they are not new: the introduction last century of the cactoblastis beetle from South America to attack the

prickly pear infestation in Queensland was probably one of the earliest biological controls introduced in this country. That example is interesting to me because my grandfather had something to do with the identification and introduction of the cactoblastis beetle when he lived in Queensland.

I remember only too well the plague of rabbits that built up during the Second World War and the battles we fought to control the rabbit population after the war. Many were pleased by the introduction of the myxomatosis virus, which caused great controversy at the time. There was some opposition to it so introducing the virus was a courageous decision. The European rabbit has done enormous damage to this country and the farming community. Ridding ourselves of the rabbit would be a great blessing. The latest agent that has been developed is the calicivirus disease.

As my colleague Mr Phil Davis said earlier, like myxomatosis, the introduction of this disease looks as though it will be a tremendous benefit in the fight against rabbits. It has been eagerly awaited by the farming community. As we know, it escaped ahead of time from the research area in South Australia into the country and quickly spread throughout South Australia. It is now in the Northern Territory, Queensland, New South Wales and here in Victoria as well.

It is quite true that we have to continue the other control methods along with these additions in our fight against the rabbit population because there is no single, easy cure. I am quite sure the farmers must continue with their rabbit-burrow ripping and gassing and so on if we are really to lower the rabbit population to the extent that it does not cause us undue economic damage.

All information from overseas indicates that calicivirus is a very selective and species-specific disease which affects only the European rabbit. The great thing about it in my view is that it appears to be a very humane disease, quite unlike the myxomatosis virus, which really is a pretty ghastly thing. It is unpleasant to see rabbits at the stage where they cannot see because their eyes have blocked up and they are just wasting away and dying because they cannot find food. It seems with this new virus being far more humane, the rabbits go into the burrows and you do not find them afterwards. That is a great blessing in itself.

Biological controls can play a very useful and at times important role and can be beneficial to our

entire Australian agriculture and certainly our environment. The amendments to the Biological Control Act 1986 in this bill will enable Victoria to play its full role in national decision making on biological control agents through the Victorian Biological Control Authority. I commend the bill to the house.

Hon. R. J. H. WELLS (Eumemmerring) - As previous speakers have said, this may rightly be called a machinery bill. It is very small but it is important because it is part of an important system. It seeks to clarify and streamline the operations of the authorities responsible. It is said Parliaments are there very much to establish principles, structures and mechanisms for doing things and this very tiny bill fits well within that philosophy. The parent act says three important things. Section 1 states:

The purpose of this act is to make provision for the biological control of pests in Victoria.

Section 3(2) states:

For the purposes of this act, organisms of a particular kind shall be taken to cause harm if the control of those organisms would be for the public benefit.

Section 4 states:

For the purposes of this act, organisms of a particular kind shall be taken to be controllable by biological means if, and only if, those organisms can be controlled by the release of live organisms of another kind.

I quote those sections because they set in clear context what we are about. This sort of control is an enormously complex method of operation and is illustrated by what happened, for example, with the recent escape of the calicivirus affecting rabbits in Australia. I mentioned those definitions also because I shall later seek the indulgence of the house to make one or two other comments on matters that are very important in this area that are not strictly covered by this bill.

It is important to realise that this sort of program in Australia has a good chance of success once defined correctly biologically because the country lends itself in some ways to the control of transmissible diseases. We have a water barrier around the nation. This is important not just in terms of military defence. Australia has one of the leading control systems in the world in terms of the Australian Quarantine Inspection Service that operates efficiently to keep a whole panoply of transmissible

diseases out of the country. We have as world leaders a most effective agriculture and veterinary control system. I pay tribute to the many officers involved in this area who work when the nation is awake and when it sleeps.

The nation is very privileged indeed to have at the helm of its experimental work in this area the National Animal Health Laboratory in Geelong, which, so far as I know, is unequalled in the world. I have visited in other years similar places in the United Kingdom and the United States of America and I know the laboratory in Geelong is an amazing investment. I commend the governments of the nation, especially the commonwealth government, for such investment in a very large and efficient establishment for what is in commercial terms a small nation.

I shall make two comments under the aegis of the bill. The first relates to the agent organism which is released to control some other pest agent. I want to refer to experimentation. I do so with respect for the officers of this nation who work in this area, many of whom it was my privilege to work with in earlier years and even to help in their initial training. I refer in particular to the calicivirus, which was mentioned by all previous speakers, because agents of this importance do not occur every day. It was myxomatosis, the virus of the rabbit, 50 years ago; the recent dog parvovirus, which emerged worldwide about 15 years ago was again thought to be a new agent; and now calicivirus of the rabbit. New viruses do not occur every day, but there are enough of them around to require that a country such as Australia, which is so dependent on agricultural income and commerce, should be ever-vigilant.

It is also important to make the point that these agents, once they enter into the system, tend to spread uncontrollably, as did the parvovirus, which went right around the world, and as the calicivirus is doing now with great ease in Australia. As we know, new strains of the influenza virus in the human being, and on less frequent occasions new strains that occur in other mammals too, spread rapidly around the world, usually within two winters. So viruses have an enormous capacity to spread.

The comment made by Mr Power was correct in my opinion. He offered a figure of some \$600 million for the commercial damage caused by rabbits in Australia. That is the figure I carry in my head, plus I think, as has been mentioned by government

members, a larger unquantifiable figure for damage caused to the natural ecosystems of the nation.

Calicivirus is interesting because it is a cytotoxic, cell-destroying agent that kills very quickly. Therefore, it is expected to be efficient in terms of eradicating rabbit populations. It is likely to be more efficient in that regard than the myxomatosis virus. So we hold hopes in a commercial sense that it will make a difference in the operation of rural Australia.

The point I come to is this: when the myxomatosis virus was investigated 50 years ago it was kept effectively locked up in insect-proof conditions. The virus was kept in the fridge and the rabbits were kept protected totally from insects. When experiments were conducted they were conducted under conditions which prevented the spread of the virus. The rabbits have been kept ever since locked up away from the myxomatosis virus and we still have the same genetic strain of rabbit available experimentally. That enables us to have the most beautiful system for studying the epidemiology and the pathogenesis of the spread of this particular disease in a mammal with its level of genetic susceptibility at that point and to compare it with what happened later as the rabbit evolved into a genetically and immunologically more resistant strain of creature.

The calicivirus escaped from an island off the coast of Australia recently and it has spread with almost gay abandon throughout Australia since then. This bill, which is streamlining the operations of the authorities concerned, comes at a time when I can say I hope one of the first things the new authority will do in the near future is ensure there is a thorough investigation of what happened with that calicivirus escape. I offer no criticism of the officers involved. Having been involved in a fair amount of biological research myself over several decades, I know how difficult it can be.

My interest is simply that we might learn what happened and not to have a witch-hunt. The authority, which is the ultimate authority, is responsible for ensuring that a review is undertaken to define the conditions that are permitted to apply to future work in this area. Let there be no doubt that there will be a need for such future work. Also, there are not many cases where you have a country as well prepared and as isolated by water as Australia where you can conduct this sort of investigation of a singular incidence of disease.

BIOLOGICAL CONTROL (AMENDMENT) BILL

Wednesday, 5 June 1996

COUNCIL

351

I urge the newly named Agriculture and Resource Management Council of Australia and New Zealand to conduct a serious inquiry into this, not as a witch-hunt, but to follow the traditional path of the pursuit of knowledge by investigating what has happened in the past and, with the best knowledge available, preparing comments and guidelines for the future.

As an aside I go beyond that to comment on this spread of agents, which is so important. I was in the United Kingdom in the 1960s when there were national epidemics of foot and mouth disease in cattle, and fowl pest in birds, and I saw how difficult, how futile and how costly it was to stop such spread. The chicken virus literally spread on the wind from unit to unit because it was being pumped out from little cities of 100 000 chickens, and was going in the dust on the wind into the broiler houses nearby. Foot and mouth disease spreads with almost equal facility.

For the first time in many decades this nation is now contemplating the purchase for consumption of, for example, chicken meat from other countries. There is concern in rural Australia about that because of the possibility of viruses being spread; we do not have some of those agents here and I share that concern. This is not just a question of making a quick dollar for we may later have to pay many dollars in losses; there needs to be a calculated decision before this commercial system is established. I believe this is another area of enormous importance for this council to carefully examine. This bill is not strictly the debate for it, but it is certainly likely to be the nearest opportunity we will have in this Parliament - at this time, when a decision is imminent - to raise the matter.

I raise a third matter in the same category. It was my privilege in the last Parliament to sit on the Environment and Natural Resources Committee. At the time the election was called we were looking at a reference pertaining to the spread of living agents from one country to another via ships, either from the external hull or from the ballast water the ship carries to balance it against its load; when such ballast water is discharged in various ports and various places as the ship progresses foreign living agents are also released.

There is disturbing evidence of the establishment of foreign agents in Australian coastal waters. It is my opinion that their control will be even more difficult than the control of foreign pathogens or transmissible agents on land. You have a limited

capacity to lock up an area on land and to wipe out the cattle or the sheep, or whatever; you have no capacity, as far as I can detect, to do this with agents in the water. We were looking long and hard at biological control agents and the possibility of releasing them to control foreign organisms living, for example, in Port Phillip Bay. There are one or two serious challenges here at this time.

This matter illustrates the point I made at the beginning: it is enormously complex to find agents that are effective and acceptable. But that is another area that Australia must not leave as a sleeper. There have been too many reports of investigations and conferences on this area of foreign agents becoming established off our coastal edge - and those of other countries too - without any reasonable, practical, effective and worthwhile outcome; in many ways, even without a reasonable outcome in terms of progress in scientific knowledge.

So I urge the governments of Australia to take this matter much more seriously. In particular, I would imagine that it rests fairly and squarely with the Agriculture Resource Management Council of Australia and New Zealand, together with the environmental councils of the nation, to act on it and to act now in a way that is commensurate with the enormous importance of the problem. Negligible money is being put into this area at this time. It is not good enough; the costs are potentially - not immeasurable - enormous, which is why I raise this important matter with regard to this bill.

In dosing, I say this bill is really a subject of today and tomorrow, because with the increasing rapidity of movement of people, their goods and their animals, the spread of agents to new areas in which they may act as outstandingly important pathogens, causing disruption to host populations, is becoming easier, more common and more frequent. It is an area that the experts of the nation will need to pay increasing attention to and be prepared to challenge the Parliaments of Australia to pay appropriate attention to in their areas of responsibility to ensure that we at least attempt to hold the current situation.

Evidence of the past 10 years - even in Australia - suggests that we are really battling uphill to do this. Every year now there are pathogens or transmissible infectious agents knocking on our door. Sometimes they get in and we get them out. Most of the agents that cause trouble are the ones that spread easily and kill quickly. It is not as likely that rabies, for example, would become established in Australia, because of the excellence of the services that operate

here, but imagine if it did get into Australia, as it did once many years ago, but was fortunately eradicated. If it now got into the Canides, the dogs of Australia, including the dingoes wandering all over the country away from the settled paddocks, and from there got into marsupials or into cattle, or camels, or closer still, into sheep in the settled areas, it would be extremely difficult for Australia to eradicate. It would be different from tuberculosis and brucellosis because they spread much more slowly. There are good tests for them and there is a good chance of eradicating them, and Australia has done that, much to the credit of the authorities and the governments concerned.

Rabies would change the nature of this nation's agricultural resources and economy. And there are other things that are also very damaging. Therefore I welcome anything that will streamline the operation of our defences in these systems. I commend the bill to the house.

Hon. B. W. BISHOP (North Western) - I support the Biological Control (Amendment) Bill. It is obvious that this bill was needed to tidy up the details relevant to the definitions of the Ministerial Council. The Ministerial Council that I am referring to is the Agriculture Resource Management Council of Australia and New Zealand, known in short as ARMCAN. The Ministerial Council is obviously the vehicle that is used to reach agreement on the release of biological control agents that we have in Australia. This bill will also clearly define the Victorian Biological Control Authority so we will end up with practical methods to allow the assessment and approval of the biological control of pests or weeds in Australia, particularly in Victoria.

A number of forms spring to mind: firstly, the prickly pear biological control of years ago; and the other one, the rabbit control with myxomatosis. The project now on the go in rural areas is calicivirus. Obviously it is absolutely essential for federal and state arrangements to be in place, as these agents know no state borders. It is apparent that this particular agent escaped from an island off the South Australian coast during the isolation program testing. While it may be a pity it has escaped because, without doubt, a coordinated approach with full resources would have been much better, if we look at it in a pragmatic way, it has happened now, so the sooner we get on with it the better.

I urge our counterpart, the Minister for Primary Industries and Energy in the federal government, the Honourable John Anderson, to move as quickly

as possible through his consulting process and to get the necessary protocols into place so the coordinated national release of the calicivirus can take place.

I commend the work over a number of years of the project leader, Dr Cor Lenghaus. The project began in about 1991 and finished late in 1994. That particular work was carried out at CSIRO's Australian Animal Health Laboratory at Geelong.

Some of the funding came from the wool and meat industries and the New Zealand government. The Victorian government also contributed and there would have been other streams of funding of which I am not aware.

As other honourable members have no doubt mentioned, Thomas Austin introduced a handful of rabbits to Australia at Geelong in 1859. Rabbits subsequently moved across the country at the rate of 100 kilometres a year, spreading out rapidly as they went, so that in 50 years they had invaded two-thirds of Australia. I do not believe the huge cost of trying to control and eradicate rabbits, as well as remedy the damage they cause, has ever been measured. A figure of \$600 million has been talked about, but I believe it would have been much greater.

At my property in the Mallee we spend an inordinate amount of time shooting, poisoning and fumigating rabbits, and ripping up their burrows. That is a heavy drain on the resources of my property and the same applies to other properties throughout Victoria and Australia.

I commend the work of Landcare groups throughout Victoria and Australia. The Victorian groups in particular do a fantastic job of caring for the land in a practical and effective manner. From those Landcare groups have emerged more focused groups such as the rabbit-action groups that with government assistance have a real go at eradicating rabbits. I have attended many meetings at which such groups have been provided with grants to purchase carts in which to put poisoned carrots, and to buy fumigators and the giant rippers that are effective in eradicating rabbit burrows.

On Monday of this week I was privileged to speak with members of the Catchment and Land Protection Board in north-west Victoria, which is capably chaired by Gerald Leach from Walpeup and which is consulting with 60 major shareholders in carrying out its task of putting in place a regional catchment strategy. Obviously the major thrust is to enable coordination of the efforts of the Department

BIOLOGICAL CONTROL (AMENDMENT) BILL

Wednesday, 5 June 1996

COUNCIL,

353

of Natural Resources and Environment and Landcare, salinity and rabbit-action groups, all of which play their part in caring for the land.

Although the brief of the board is broad, no doubt the resources it advises on could be better used if the rabbit calicivirus were introduced and maintained throughout Victoria and Australia in a coordinated manner. Although the virus has escaped and each day one hears of another sighting of infected rabbits, there is no doubt that our best chance of having a real effect is a coordinated approach. In addition, such an approach needs to be followed up with strong programs - the ripping up of burrows, poisoning and fumigation to take advantage of this once-in-a-lifetime opportunity to eradicate rabbits in places where that was previously not thought possible.

If the timing is right I hope we will soon be able to get on with the job and get programs in place in the grain-growing areas of Victoria after the crops are sown so growers can concentrate on coordinated district programs to eradicate rabbits.

The bill will facilitate a fully coordinated program across Victoria and, I hope, Australia to take advantage of this once-in-a-lifetime opportunity to eradicate the rabbit problem in Australia. I commend the bill to the house.

Hon. D. McL. DAVIS (East Yarra) - I support the bill and commend it to the house. It is good to see the bipartisan approach taken to the bill. To take up the theme of the contributions of Mr Bishop, Mr Power and Mr Philip Davis I will speak about the calicivirus, about the damage rabbits have done in Victoria and other parts of Australia and about the contribution of Landcare and rabbit-action groups, which have made an important contribution to biological pest control in Australia.

I make the point that we are at an important juncture following the accidental escape of the calicivirus and its spread throughout the Australian countryside. Although myxomatosis was highly successful it was not followed up with other biological and land care measures at the farm level. The rabbit-action groups and Landcare groups are important because they provide an opportunity to deal a more permanent blow to the rabbit population by operating at the farm level. It is likely that over time the rabbit population will develop some resistance to the calicivirus, which is why this opportunity is so important. We should seize the

opportunity with both hands and move forward as quickly as we can.

An important part of the physical work that will help deal a severe blow - we hope a final blow - to rabbits and allow control of rabbits in the longer term is the possibility of funding through the federal government's environment package. Honourable members will remember that the federal coalition went to the last election promising a \$1.15 billion package for the environment to be funded through the partial sale of Telstra. The money was to be clearly dedicated to a range of environmental projects across Australia, including a number of projects related to Landcare and other biological and pest control measures.

The funding from that package would be important for Australia now. It would be a boon to the farming community and would enable a number of Landcare groups that have programs operating in a more limited way than is desirable to be more effective. Plans for controlling rabbits in local areas have been drawn up with great care but need greater funding. Australia needs the federal government's environment package so we can take advantage of the fact that the calicivirus is abroad in the countryside.

The bill is a good example of the kind of cooperation which is needed between federal and state governments and which will lead to better outcomes. In a sense, it is a housekeeping or procedural measure. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

Hon. G. R. CRAIGE (Minister for Roads and Ports) - By leave, I move:

That this bill be now read a third time.

I place on record the government's appreciation of the spirit in which this bill has been handled. I extend thanks to Mr Power, Mr Philip Davis, Mr de Fegely, Mr Bishop, Dr Wells and Mr David Davis, all of whom made a significant contribution to the debate in a cooperative way.

Mr Power raised issues concerning checks and balances. The government is committed to making sure that checks and balances are in place. The

DOMESTIC BUILDING CONTRACTS AND TRIBUNAL (AMENDMENT) BILL

354

COUNffi

Wednesday, 5 June 1996

government recognises the concerns of those in rural communities and of those who will be effected by any outbreaks of the calicivirus or mismanagement of programs. I commend the bill to the house.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

DOMESTIC BUILDING CONTRACTS AND TRIBUNAL (AMENDMENT) BILL

Second reading

Debate resumed from 4 June; motion of Hon. LOUISE ASHER (Minister for Small Business).

Hon. PAT POWER (Oika Jika) - The opposition does not oppose the bill. I take this opportunity of placing on record the opposition's recognition that this is a machinery bill which is intended to amend an inappropriate proclamation of one section of the Domestic Building Contracts and Tribunal Act 1995.

The bill makes a number of procedural amendments to the Domestic Building Contracts and Tribunal Act to improve its operation. One section of the act should have been proclaimed on 1 May but it was inadvertently proclaimed on 1 April. The bill provides that no person or body that commenced building work or other activities relating to the Housing Guarantee Fund during the one-month period will be disadvantaged.

The definition of prescribed building practitioners and recognised person is revised to include building inspectors registered under the Building Act 1993. This will enable inspectors to conduct inspections under the Domestic Building Contracts and Tribunal Act 1995. It will also enable reports to be made on owner-built houses which the owner builder proposes to sell within the applicable insurance period. The bill also provides for an increase in the membership of the Building Practitioners Board to enable domestic builder representation on the board.

As a consequence of that background information I am sure members will recognise this is a machinery bill. Miss Gould will place on the record her concerns regarding the minimum monetary claim

provision. We emphasise that those concerns do not mean the opposition will oppose the bill.

Legislation such as this, which corrects inadvertent errors, is important. I do not make my comments to score a point. However, all members will have had experience of domestic building contracts either at a personal level or through their extended family or friends undertaking minor or significant renovations to their houses. Much of the work is undertaken by owner-occupiers. It is important to address two issues: firstly, any contractor performing work should be protected and also be made accountable; and, secondly, where any such work is undertaken by an owner-occupier that person should be properly protected and accountable in the context of the property being sold within the prescribed period.

I share the concerns that Miss Gould will refer to in her contribution about the monetary minimum that is set in the bill. I question whether it has been designed in the best interest of consumers. However, the opposition does not oppose the bill.

Hon. M. M. GOULD (Doutta Galla) - Although I place on record a couple of the opposition's concerns, I point out that it supports the bill. The matters were drawn to my attention by my constituents. One constituent entered into an agreement with a contractor to have his house, which was only 12 years old, reblocked. The contractor began the job and then went on leave. During the leave period it rained heavily and when the contractor returned he found the holes that he had dug were full of water. He refused to complete the job.

Although the constituent had not entered into a written contract, a job registration form had been completed at a cost of \$3180. Because the holes were full of water, structural damage resulted. My constituent took the matter to the Housing Guarantee Fund and also to the Magistrates Court. Even though the cost of the job was \$3180, the Magistrates Court deemed that it was worth less than \$3000, which is the normal quote for restumping. On his behalf and unbeknown to my constituent, the solicitor agreed to settle with the contractor. My constituent then went to the Housing Guarantee Fund which could not deal with the matter because it had been dealt with by the Magistrates Court. At a preliminary hearing with the Housing Guarantee Fund tribunal the reblocking company said it had made a mess of the job and it was too much trouble to fix it. The matter will now be heard by the Administrative Appeals Tribunal.

The reblocking company is still operating. My constituent is getting the raw end of the deal.

I raise this incident to illustrate the opposition's concerns about work that costs less than \$3000, which is less than the minimum of \$5000 proposed in the bill. Many houses in my electorate are old and require reblocking. Household owners may come across other contractors who start jobs only to find they are too hard to fix when the elements take over, leaving owners with escalating bills. Not only has this particular constituent accumulated massive legal fees but also the structure of his house is under question because of water seepage from the holes the contractor dug. I have seen photographs of the house, which show it has massive cracks in three rooms.

The other concern I have does not relate to a large amount of money. External blinds were fitted to the house of another constituent and as a result of that structural damage was caused to the brickwork of the house and the side gate. The company that installed the blinds visited the house several times to fix the damage but was unable to satisfy my constituent. The issue was taken to the Office of Fair Trading and Business Affairs and evidence was given that the cost to reinstall the blinds and repair the damage to the house and the gate was in excess of \$2000. That is less than the current level of the guarantee fund, but it emphasises that what started out as the simple fitting of external blinds ended up causing \$2000 damage to the house.

The referee in the Office of Fair Trading and Business Affairs fined the company \$200 and ordered it to rectify the work. The blinds still cannot be used, repairs to the brickwork of the house have not been done and the side gate is yet to be repaired. I shall leave for the appropriate time the fact that the company receives work contracts from the Office of Housing.

The guarantee fund is being increased to \$5000 for claims against poor workmanship. I have put on record the concerns opposition members have about the necessity for constant monitoring of the process, because work that may initially cost only a small amount can escalate into thousands of dollars. Household owners may have to pay legal and other associated costs to rectify the poor workmanship of, in some cases, unscrupulous builders. The opposition does not oppose the bill.

Motion agreed to.

Read second time.

Third reading

Hon. LOUISE ASHER (Minister for Small Business) - By leave, I move:

That this bill be now read a third time.

In so doing I thank Mr Power and Miss Gould for their approach to and support of the bill. Miss Gould raised two constituent matters with me, one of which occurred under the previous legislation, the House Contracts Guarantee Act. I note her comments regarding that matter and I further note her comments regarding another constituent case. I am not in a position to comment on individual cases, nor does Miss Gould expect me to comment on them, but I advise the house that the Building Control Commission and the Office of Fair Trading and Business Affairs will monitor complaints and inquiries and will advise the Minister for Fair Trading in another place of the monitoring process.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

LEGAL PROFESSION PRACTICE (DIRECT MORTGAGES) BILL

Second reading

Debate resumed from 4 June; motion of Hon. LOUISE ASHER (Minister for Small Business).

Hon. PAT POWER Oika Jika) - The Legal Profession Practice (Direct Mortgages) Bill is a simple piece of legislation that the opposition supports. The bill repeals section 40AA of the Legal Profession Practice Act, the amending act that would have imposed certain requirements on solicitors in relation to direct mortgages. Section 40AA provides that a solicitor must not receive any payment or repayment of principal under a direct mortgage in any form other than a cheque drawn by the lender or the mortgagor or a bank cheque or a bank draft payable to the order of the mortgagor. It requires a solicitor who receives such a cheque or draft to pay it forthwith to the person to whose order it is payable or as such

person directs. Contravention of the provision is an offence carrying a maximum penalty of 20 penalty units, unless the contravention is with intent to defraud, in which case the maximum penalty is two years imprisonment.

Section 40AA arose out of the financial crisis of the Solicitors Guarantee Fund. Representatives of the Law Institute of Victoria expressed concern about the operation of the proposed section. Well-reasoned objections to the section were put by bankers and the property law section of the Law Institute. Section 40AA as originally proposed would have reduced the income of the Solicitors Guarantee Fund to a significant extent. The Law Institute has advised that the amount would have been between \$1 billion and \$2 billion.

Section 40AA would have reduced significantly the annual flow of funds into solicitors trust accounts and, therefore, the income of the Solicitors Guarantee Fund. That is the core reason the opposition is able to support the bill. Members would know that direct mortgage payments received by solicitors are paid into a trust fund and that the interest earned on that money is paid into the Solicitors Guarantee Fund, which pays in part for solicitor defalcations. A portion of the fund's money goes to legal aid and the Leo Cussen Institute, which is responsible for some excellent courses in continuing legal education.

The Law Institute expressed grave concern about the effect of section 40AA on the Solicitors Guarantee Fund and the funding of legal aid. The opposition believed the problem the section was meant to address was never a problem in the first place. The opposition argues that had the government initially taken advice from the Law Institute of Victoria, section 40AA would not have been introduced and this bill, which is seeking to rectify that would not need to be before the house. The opposition argues that the government was provided at the outset with detailed information about the total amount tied up in direct mortgages and that the government was informed of the fact that the Law Institute was not aware of any defalcations arising from a direct mortgage transaction in more than a decade.

The effect of the bill we argue, therefore, is to correct an error that arose because of the government's lack of consultation with the Law Institute, in particular in relation to direct mortgages. In fact, it could be argued that the government ignored the advice that was received from the Law Institute that section 40AA was not necessary and would create all sorts

of problems in relation to the Solicitors Guarantee Fund and the amount of money that would be available for legal aid.

That summarises the comments that I make on behalf of the opposition. I do not want to take the argument to the more personal level that it went to in the other place. We support the bill but consider it reasonable to place on the record that this is a legislative measure that should not have been necessary.

Hon. P.A. KATSAMBANIS (Monash) - It is with great pleasure that I speak on the Legal Profession Practice (Direct Mortgages) Bill. As Mr Power quite rightly pointed out, the bill seeks to repeal section 5 of the Legal Profession Practice (Amendment) Act 1995, which introduced section 40AA into the Legal Profession Practice Act 1958.

It must be pointed out also that section 40AA has not come into operation and was not intended to come into operation until 1 July 1996. Mr Power did point out that the reason that the Legal Profession Practice (Amendment) Bill was introduced in the first place was to correct a situation that had arisen with potential defalcations and the liability of the Solicitors Guarantee Fund for mortgages that were placed through solicitor practices.

We must draw a distinction between direct mortgages and contributory mortgages. In direct mortgages, a solicitor acts as a broker between one identifiable mortgagor and an identifiable mortgagee, where there is one lender and one borrower and that lender appears as a mortgagee registered on the title of the subject mortgage property.

That is in direct contrast to the contributory mortgage situation, where two or more lenders come together and the funds are pooled by the solicitor and lent to a borrower. In the usual course of events, the solicitor's firm - or more regularly nowadays, a nominee company - is used as the lending vehicle and the names of the lenders do not appear on title.

During the deliberations leading to the passage of the Legal Profession Practice (Amendment) Act, the Law Institute was unable to provide, firstly, details on the amount and value of direct mortgages, as compared with contributory mortgages, and secondly, full details on what defalcations had taken place in direct mortgages as opposed to contributory mortgages over the past decade or two. As a result,

section 40AA was introduced and the profession was given until 1 July 1996 to provide evidence as to why the section should not come into force. Now the profession has provided that evidence to the satisfaction of the Attorney-General.

It is clear that forcing repayment directly by bank cheque in respect of direct mortgages would be an undue imposition. It is also now clear, which it was not at this time last year when the original amending bill was considered, that the situation that had developed with contributory mortgages as to defalcations was not a problem that arose in the context of direct mortgages. It is true that in the past 10 to 12 years there had been no defalcations on direct mortgages. The profession has now pointed that out to the Attorney-General, but it could not do so last year. In light of that, the repeal of section 40AA is a commonsense action. That is why the government is taking this action. It must be pointed out again that the requirement has not come into force as yet and has not disadvantaged anybody.

The profession, in conjunction with the government, has worked out the problem to the satisfaction of the government. Section 40AA provided a protection in the uncertain period during the past year for lenders and borrowers in direct mortgage situations. However, with the evidence that has come to light it is now clear that that protection is no longer necessary.

I therefore commend the bill to the house. It will provide the Solicitors Guarantee Fund with the ability to earn interest on deposits through trust accounts with direct mortgages, and it will also provide the profession with certainty in the lead-up to 1 July 1996.

Hon. D. Mc L DAVIS (East Yarra) - I also support the Legal Profession Practice (Direct Mortgages) Bill and again note the bipartisan nature of the support for the measure. The bill abolishes section 5 of the Legal Profession Practice (Amendment) Act 1995. It is to the credit of the Attorney-General that the bill is before the house today. It reflects assurances given at the time to look closely at provisions inserted in the original bill. The Law Institute of Victoria and other bodies have now come forward with evidence that indicates, as Mr I^{ats}sambanis said, that there are no defalcations on direct mortgages.

In this context I commend the bill to the house. It is a significant and very good measure.

Motion agreed to.

Read second time.

Third reading

Hon. LOUISE ASHER (Minister for Small Business) - By leave, I move:

That this bill be now read a third time.

In doing so, I thank Mr I^{ats}sambanis for his learned contribution based on his many years experience as a solicitor, Mr David Davis, and in particular Mr Power for the opposition's support of the bill. I place on record also my appreciation for Mr Power's not having indulged in the slanging match that appears to have taken place elsewhere about the bill, and for raising his concerns in the manner he did.

I briefly address those concerns because the record should be set straight. To his credit my colleague Mr I^{ats}sambanis addressed that issue to some extent. Mr Power raised what he perceived to be the sequence of events about the advice of the Law Institute of Victoria to the Attorney-General and the Attorney-General's response to that advice.

The way Mr Power relayed that point of view was unfair, although he has every right to raise his concerns. The correct chronology of events is set out in the Attorney-General's second-reading speech, but I will go through it and explain the correct order because it will be instructive for the house to hear it. As she has said in public on many occasions, the Attorney-General met with the Law Institute of Victoria before the amending bill, the Legal Profession Practice (Amendment) Act 1995, was passed and gave an undertaking that proposed section 40AA would not come into operation unless she was satisfied that it was both necessary and appropriate. The Attorney-General made that decision and gave that assurance. In other words, she decided specifically to delay proclamation until 1 July 1996.

The Attorney-General invited the Law Institute of Victoria to put its concerns in writing so she could consider them in full. As was said in the other place, after the passage of the 1995 legislation, on 13 December the property and environmental law section of the Law Institute provided a detailed submission on the effect of proposed section 40AA, pointing out the operational problems and questioning the need for it. Around that time the Attorney-General received advice from the acting

SUPERANNUATION ACTS (AMENDMENT) BILL

358

COUNCa

Wednesday, 5 June 1996

secretary of the Law Institute that he could not recall a defalcation of a direct mortgage in the past 12 years.

Having considered all the submissions and practical comments from the ANZ Bank, the Australian Bankers Association, the property section of the Law Institute and a private firm, the Attorney-General decided that she would propose the repeal of proposed section 40AA, thereby preventing it from coming into operation.

It is important to note that the Attorney-General did not receive an official written submission from the Law Institute per se; she received a written submission from the property law section, which arrived after the passage of the 1995 act. The Attorney-General has bent over backwards to take on board a range of views from the legal profession and other people, including that section of the Law Institute. It is not accurate to claim that she did otherwise.

I hope those few words set the record straight and I suggest that honourable members who are in any doubt should refer again to the second-reading speech, which correctly sets out the chronology of events.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

SUPERANNUATION ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 4 June; motion of
Hon. R. M. HALLAM (Minister for Finance).

Hon. T. C. THEOPHANOUS Oika Jika) - The opposition supports the bill and sees it as part of ongoing legislation designed to rationalise superannuation in Victoria. We have on other occasions supported legislation that has a similar rationalising effect, and on this occasion we again support the consolidation of superannuation.

The bill takes account of commonwealth legislative changes that require the regulation of some schemes, particularly the Gas and Fuel Superannuation Fund,

the Pharmaceutical Organisations Superannuation Fund, the Victorian Electricity Industry Superannuation Fund, the Water Industry Superannuation Fund and the Zoological Board of Victoria Superannuation Fund. Those five funds will come under commonwealth legislation as regulated funds, as is required. Those complementary changes are supported by the opposition. The minister has told me that the changes must go through before 17 June, which is why we are dealing with the bill this week.

We have no difficulty with the bill and what it attempts to achieve. It allows the former Public Transport Corporation employees at the railway workshops in Bendigo, which I have visited, to transfer their superannuation entitlements to their new employer, Goninan's Co. Ltd. The opposition supports this initiative and encourages the government to regard it not simply as a one-off situation where privatisation has occurred but as one that can apply to any new organisation as part of the industrial conditions employees enjoy.

I urge the Minister for Finance and the Treasurer to try to ensure that similar provisions come into force elsewhere following privatisation, particularly where that involves the transfer of a substantial number of people to an organisation that is performing the same tasks. That is the case in Bendigo.

The employees were keen to have this provision. There was a great deal of discussion about the privatisation in Bendigo, and a number of articles and editorials in the *Bendigo Advertiser* reveal that the issue was hotly debated by the local community. Some employees were in favour of privatisation and others were not. I am sure the majority were reluctant and that this particular provision assisted in easing their concerns, so from that perspective it is of benefit to the government. We support the notion of that practice being the standard rather than a one-off concession.

Other provisions in the bill amend the Parliamentary Contributory Superannuation Fund. The changes will affect my position as Leader of the Opposition and therefore me personally. I understand it has the support of both sides of the house, but it involves the question of pecuniary interest.

I point out that I am aware of the change involved, as I understand it. The bill proposes a change to section 7(4) of the act, which states:

For the purpose of calculating his entitlement under the last preceding section a person who, immediately before a dissolution of the Assembly, holds the office of the Leader or Deputy Leader of Her Majesty's Opposition or who holds the office of leader in the Assembly of a third party or who is recognised as Parliamentary Secretary to the Cabinet shall be deemed to continue to hold such office up to but excluding the day appointed for taking the poll at the ensuing general election for the Assembly.

An amendment to the bill inserts in that section reference to the Leader of the Opposition in the Legislative Council as well. I just indicate to the house that I recognise that and that therefore there is some potential for pecuniary interests to be affected.

Hon. M. A. Birrell - Can we make it retrospective because I didn't get paid under those laws, and I lost.

Hon. T. C. THEOPHANOUS - The Leader of the Government says he might prefer the amendment to be retrospective. I am not sure I would support that, but there is still an opportunity for him to gain some benefit if he loses the next election and comes back over to this side of the house. The changes proposed to the Parliamentary Salaries and Superannuation Act have received more debate in the press than between the parties in Parliament. In a general sense the opposition supports the changes to the act. In particular, I do not think the amendment of section 12 will cost the state or the superannuation fund any more money. At the end of the day it means we do not have to go through the fiasco of people pretending to run for preselection or Parliament just so they can say they were defeated and thereby pick up their superannuation payments. Indeed, it makes sense particularly for the Legislative Council.

There have been occasions in the past when it could have been very strongly argued that some individuals - without mentioning names - ought to have considered whether to run for another eight-year term.

However, because of the coincidence of having two terms in this place working out at, generally speaking, 13 to 15 years, but usually not quite 15 years, some members did not necessarily get their full superannuation. It meant they had to run for an additional eight-year term when they would not have done so under normal circumstances if superannuation was not an issue. Therefore the amendments in that regard rationalise the situation.

Apparently it involves no additional cost to the system, and it is a particularly sensible change.

With regard to the 20.5 year rule, I understand the rationale the government has used is based on a very longstanding union rule, if you like, that you ought to get a benefit for what you paid in superannuation. I understand that after 20.5 years no additional benefit is received, although I must point out that I am not sure entirely the same situation applies in the circumstances of a defined scheme. Nevertheless, the opposition is not opposing the bill.

At present the scheme has a substantial unfunded liability. The bill allows the Treasurer to finance that.

Hon. R. M. Hallam - No, it requires him to do so.

Hon. T. C. THEOPHANOUS - I stand corrected - it requires the Treasurer to finance that unfunded liability. Obviously the size of the unfunded liability may well be affected by this 20.5 year rule, although I am not sure by how much. Nevertheless, in general terms the changes proposed in the bill are sensible and we certainly support them.

The opposition supports the rationalisation of the public sector schemes. It has supported and continues to support the reduction in the number of public sector superannuation funds from 33 to 17. We applaud the changes in regard to the Bendigo workshops and concur with the changes in respect of the Parliamentary Superannuation Scheme component. The opposition supports the bill.

Hon. R. A. BEST (North Western) - I shall briefly place on the record the importance of protecting the superannuation rights of the workers at the Bendigo workshops. The situation goes back some time in history. The Bendigo workshops work force has been declining over a number of years; the prospects for the future were not all that bright. Through a number of meetings following the 1992 election, the former member for Bendigo West in another place, Max Turner, and I worked with the workshop committee in an attempt to protect as large a work force as possible.

The Public Transport Corporation has gone through a number of rationalisations. Unfortunately, the workshops at Bendigo were placed in a position where the amount of guaranteed work from the P f C meant there would be a work force of only 110 people. As a result of negotiations with the

Minister for Transport in another place, Max Turner and I discussed what the future prospects would be. What we saw as a long-term viable operation at Bendigo was for a private company to become involved in leasing the work force at Bendigo for five to seven years. We also tried to ascertain whether there was some opportunity to increase the work levels at the workshops. I am pleased to say that the superannuation entitlement or provision that has been provided by the government is the final link in the negotiations that have seen the transfer of responsibilities for the Bendigo workshops from the PTC to Goninan's, a New South Wales transport manufacturer. We hope in the next two to three weeks to actually see a significant increase in the work force.

I place on record for posterity a recognition of the work done by the previous member for Bendigo West, Max Turner, in conjunction with the workshop committee, the Minister for Transport, Alan Brown, and me, in arriving at the most sensible and beneficial outcome not only for the workers, who were faced with a very difficult decision, but also for Bendigo's economy. As the minister will attest, this is a very significant move in the portability of entitlements for superannuation recipients in state entities. I congratulate the government for accepting the very important protection this provides to the workers at the Bendigo workshops. I thank the government for the compassionate and conciliatory way in which it has worked through this very difficult issue.

Motion agreed to.

Read second time.

Third reading

Hon. R. M. HALLAM (Minister for Finance) - By leave, I move:

That this bill be now read a third time.

In doing so, I would like to make a few comments, firstly, on the issues raised by Mr Best. I thank him for his comments and say that I, too, regard the arrangements that were ultimately reached for the employees of the Bendigo workshops and the employees of Goninan's as a good outcome. I am glad it has been resolved, and I am happy to put on the record that, from the perspective of government, it is an important precedent.

In addition, I would like to put on record my thanks to the opposition for its support for this bill. It is a complex issue, so I was pleased to learn that the opposition was prepared to consider the bill in a bipartisan way. Furthermore, I am even more grateful for the agreement that was reached on the timing of this debate. As it happens, there are members of superannuation funds who will stand to gain substantially if this bill is passed by a particular date. That relates to the transfer of the funds to supervision under the commonwealth rule. On that basis I am grateful for the support that the opposition has offered and the agreement that this be handled as a matter of urgency.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

VICTORIAN MANAGED INSURANCE AUTHORITY BILL

Second reading

Hon. R. M. HALLAM (Minister for Finance) - I move:

That this bill be now read a second time.

This bill establishes the Victorian Managed Insurance Authority. The authority will replace the Managed Insurance Fund and continue the reform of risk management in the budget sector commenced in 1995. The authority will also become the successor in law of the State Insurance Office, thereby assuming responsibility for its residual assets and liabilities. The major businesses of the State Insurance Office were sold in 1992 and the office will be abolished by this bill.

In March 1995 this government took steps to reform the management of both insurable and non-insurable risk in the Victorian budget sector. The budget sector is exposed to a range of risks which create exposures to the consolidated fund. These risks include:

public liability claims for injured third parties;

professional indemnity claims from third parties;

property losses from defined events such as fire, storm and tempest; and

environmental site impairment.

Prior to the reforms initiated by this government the only insurance purchased centrally was insurance for public liability and property loss catastrophe policies. An independent review of these programs found that the programs were unresponsive to the business needs of the departments and inhibited the state assuming greater levels of self-insurance that it had the capacity to manage.

The government had two objectives in reforming risk management in the budget sector. First, it intended to ensure departments were identifying their risks and risk exposures and developing risk management strategies. Improved risk management in the budget sector will result in reduced claims and cost savings. Through the development of risk management strategies the state will have a profile of the total risk in the budget sector and be able to better assess its insurance needs.

Secondly, it was intended that the budget sector rationalise its insurance arrangements and improve its handling of claims by establishing a central budget sector insurance agency. A key role of the authority, which will perform this central agency function, will be to self-insure part of the budget sector's risk. In coordinating the purchase of insurance and claims handling through a central agency and self-insuring or assuming part of the risk, the government is following well established practices adopted by major private sector organisations.

The Managed Insurance Fund was established as a trust account of the public account in 1995 and has been the focus for a range of initiatives designed to deliver these reforms. The initiatives together with other corporate governance initiatives include:

a program under which departments were assisted in profiling their risk exposures. This was the first step leading up to having departments develop and adopt risk management strategies. Nearly all departments have profiled their risk and over 50 per cent have adopted risk management strategies;

the introduction of a system of insurance declarations requiring departments to declare exposures and to develop asset registers. Departmental managements are now more aware

of the business risks associated with their assets and operations as well as the need for accurate valuations of their assets; and

the state has moved to self-insuring the first \$50 million of losses arising from property and public liability at a cash saving of \$9 million.

The next stage of the reform program is to consolidate the reforms to date and continue the risk management improvements of the budget sector's insurable risk. For these reforms to be implemented it is essential that a statutory authority subject to appropriate prudential, corporate governance and accountability frameworks is established.

The Victorian Managed Insurance Authority established by this bill will have five key functions. These functions are to:

assist departments and participating bodies to establish programs for the identification, quantification and management of risks;

monitor risk management by departments and participating bodies;

act as insurer for, or provide insurance services to, departments and participating bodies;

provide indemnities to officers of state corporations and departments; and

provide risk management advice to the state and to provide risk management advice and training to departments and participating bodies.

The authority's clients, departments and participating bodies, will be required to develop risk management strategies which will be monitored by the authority and arrange their insurance through the authority. There will, however, be a discretion for the minister to exempt the authority's clients from arranging their insurance with the authority.

To ensure that major risks that can impact on the budget sector and the consolidated fund are captured the bill gives flexibility to the minister to vary coverage of the act and the authority to include bodies funded by the consolidated fund. These bodies are referred to in the bill as participating bodies. With the exception of directors and officers insurance, which will be provided to directors and officers of bodies within the broader public sector, it is not intended that the authority will provide

insurance or risk management services outside the budget sector.

As with other statutory corporations the affairs of the authority will be overseen by a board of directors. While the board is to be serviced by a small staff it is intended that the authority will contract with the private sector to provide risk management services. To ensure appropriate oversight of its activities the authority will be required to prepare a three-year strategic plan on an annual basis and report to the Treasurer against its plan at regular intervals. The authority's risk profile will be controlled by requiring the authority to specify the quantum of risk it proposes to self-insure and to comply with prudential guidelines set by the Treasurer.

The establishment of the Victorian Managed Insurance Authority is an important financial management initiative which will improve risk management in, and provide financial benefits to, the budget sector.

I commend the bill to the house.

Debate adjourned on motion of
Hon. T. C. THEOPHANOUS (Jika Jika).

Debate adjourned until next day.

WATER ACTS (AMENDMENT) BILL

Second reading

Hon. R. M. HALLAM (Minister for Finance)—I move:

That this bill be now read a second time.

This bill continues the important process of reform in the water sector in both metropolitan Melbourne and rural Victoria. Many of the provisions are essentially of a housekeeping nature, and I shall concentrate on the main reforms being proposed. Part 2 of the bill contains amendments to the Water Act 1989. The most significant of these concern floodplain management

Under the current provisions, only the full set of floodplain management functions listed in the act can be assigned to a waterway management authority. However, an authority may only have the resources to carry out part of the suite of functions; it may have the resources to carry out works but not the ability to assess planning applications and give

flooding and development advice. By giving the minister the flexibility to assign only those powers which are appropriate to the circumstances, the amendments enable the minister to tailor floodplain management responsibilities to an authority's resources and the local community's needs.

Clause 9 gives the minister the ability to declare the active flow-carrying part of the floodplain a floodway. Under existing legislation, to control buildings which may control or divert floodwaters the minister must declare the total area banded by the floodline of a one-in-a-hundred-year flood. However, in most cases it is unnecessarily expensive and time consuming to identify the whole area liable to such flooding. The power to declare a floodway will enable resources to be focused on defining the area of most concern to floodplain managers and ensuring developments in those areas are appropriate.

The other amendments contained in part 2 are designed to streamline and improve the administration of the Water Act, including removing the need for waterway management authorities to serve a notice on each individual property owner for the purpose of declaring land to be serviced and liable to a rate, and also dealing with the publication of bulk entitlement orders, which at present have to be published in full.

The current procedures for dealing with these matters are unnecessarily cumbersome and expensive. The more usual commercial practice of placing notification in local newspapers is to be adopted, while notice of the bulk entitlements orders will be published rather than the full order.

The operation of the act will be enhanced by:

facilitating the smooth transfer of land to give effect to a restructuring order made under the act. This and other consequential amendments are outlined in clauses 6 and 7;

clarifying the respective roles of the minister and an appointed committee in relation to the preparation of water management schemes; and

allowing the minister to give a delegate the ability to subdelegate so that the relevant authority can organise which officers are to be responsible for different duties without the need for the minister to delegate to individual positions.

The amendments to the Water Industry Act 1994 contained in part 3 of the bill build on the structural and regulatory reforms which have been made in the Melbourne metropolitan area. The reforms have laid the basis for an efficient and effective water industry and the three retail water businesses are already demonstrating their commitment to better customer service and better customer performance. The bill will allow the government to continue to regulate the prices charged by these retail businesses, together with wholesale water and sewerage prices. It is important that the government continue to regulate these prices to allow it to manage the transition to more cost-reflective pricing for water services.

As members will recall, in June 1994 the government announced that domestic charges for water and sewerage services in the Melbourne area would increasingly reflect a customer's use of the service and decreasingly reflect the municipal valuation of his or her property. Greater reliance on consumption-based charging has enjoyed bipartisan support in Victoria, and is a key aspect of the strategic framework endorsed by C O A G for the reform of the Australian water industry. It is a fairer system and, by encouraging water conservation, is also more environmentally friendly than current pricing arrangements, which fail to penalise waste. Significant progress has already been made and the government will continue the work of pricing reform.

In 1994 the government froze prices for domestic water and sewerage services in the Melbourne area. This freeze will remain until at least 1 January 1997 as announced. The amendments contained in clause 13 will allow the government to regulate prices after that date until pricing oversight is formally transferred to the Office of the Regulator-General. Once the Office of the Regulator-General issues a pricing order in relation to a particular price or charge, the ability of the Governor in Council to make further orders in relation to that price or charge will cease.

Clause 16 will enable the employee of a retail water or sewerage business to enter land - excluding a dwelling house - to investigate non-compliance with the act without having to give seven days prior notice, provided that the licensee is satisfied on reasonable grounds of that non-compliance.

The current requirement to give seven days notice before entering a property affords a person time to remove any evidence of non-compliance, making it

almost impossible to prove a case of deliberate pollution. Seven days notice will continue to be required, however, where access to residential premises is required.

Clause 19 of the bill brings Melbourne Parks and Waterways into line with other bodies charged with the management of Crown land by giving it the power to grant leases and licences for activities affecting the beds and banks of waterways.

The disaggregation of Melbourne Water Corporation on 1 January 1995 was a mammoth undertaking, and some amendments need to be made to the allocation statements made at the time. Clause 21 enables such amendments be retrospective to the date on which the transfers took effect to reflect the reality of dealings since disaggregation, provided there have been no past dealings which adversely affect the interests of a third party.

The other changes being made to the Water Industry Act 1994 are housekeeping measures, such as bringing the billing period of rates levied by Melbourne Parks and Waterways into line with the billing period for rates and charges for water supply and sewerage services.

Part 4 of the bill contains amendments to the Melbourne Metropolitan Board of Works Act 1958. These are essentially of a housekeeping nature and consequential to other changes being made. The power to levy rates for floodplain management purposes in clause 26 will make it clear that floodplain management will continue to be funded from the drainage rate, as occurs at present.

I commend the bill to the house.

Debate adjourned on motion of Hon. PAT POWER (jika jika).

Debate adjourned until next day.

APPROPRIATION (INTERIM 1996/97) BILL

Second reading

Debate resumed from 4 June; motion of Hon. R. M. HALLAM (Minister for Finance).

The PRESIDENT - Order! I note that the debate is in the hands of the Leader of the Opposition, as is the usual practice. However, I understand an agreement has been reached by the parties. I

which the government will provide some speakers this evening.

Hon. R. A. BEST (North Western) - It gives me great pleasure to support the Treasurer's 1996 autumn statement. Unlike the opposition, the government understands the need for sound financial management to provide a prosperous and secure future for our children and for future generations.

Hon. Pat Power - Is this going to be a bus tour of harassment?

Hon. R. A. BEST - You've got it. So, if you want to leave, do it now. The truth hurts! The Treasurer's statement reinforces the policies of past three and a half years and provides a vision and commitment to keeping Victoria moving for the next four years. All Victorians would be aware of financial mess we inherited in 1992 and the past three and a half years have been spent rectifying many of those problems. The results we see presented in this statement are a combination of a number of strategies and policy implementations aimed at improving Victoria's competitiveness and budget position during the next four years.

The reason we are improving our financial position so dramatically is because of a good dose of commonsense combined with some very prudent management strategies that have been put in place over the past three and a half years. As country member of Parliament I admit that the past three and a half years have not been easy. Although there have been many occasions on which I have attended public meetings and received deputations on both education and local government issues, the reality is that the government's long-term strategies have been aimed at improving Victoria's competitiveness, particularly in the rural sector, to ensure we can enjoy the growth taking place in the Asia-Pacific region and to help our food and fibre industries grow and prosper.

The reality is that Victoria was living beyond its means. We had a bloated public service, an uncompetitive power industry, inefficient and expensive local government and water boards that provided poor quality water and, in some cases in my electorate, could not even replace worn out equipment. That situation was a major restriction on regional development.

The government has instituted transport reforms, including reforms of the port system. Most pleasing

of all to me has been the government's focus on the Calder Highway, which is the artery of northern Victoria. The highway is particularly important for its role in the transporting of food from the Sunraysia in the far northern area of my electorate and for its significance to the economy of Victoria and the Mallee.

I turn to Victoria's education system. The government has taken some 8000 teachers out of the education system. Instead of spending money on wages and salaries the government is now spending money on the refurbishment of schools through school maintenance and refurbishment, capital works programs and on technology upgrades. I am delighted that the Bendigo Senior Secondary College is being provided with \$1 million to establish it as one of the navigator schools in providing technology and computer information from around the world to the students of Bendigo.

Victoria also had a workers compensation system that was some \$2 billion in the red. The former scheme could not compete with the New South Wales system and was driving businesses over the border. Only yesterday the minister responsible for Workcover advised the house of the wonderful report card presented by the Auditor-General. I congratulate the minister on the excellent work he has done, not only on Workcover but also on local government.

During the past three and a half years the coalition government asked the people of Victoria to trust it. We have taken them in a direction we believe will benefit our future and our children. We had become uncompetitive with Queensland and New South Wales, which are our natural competitors. We needed to provide infrastructure so that business could grow and compete and so that employment opportunities in the private sector could expand. Although 75 000 people were removed from the public sector, at the same time the private sector increased jobs by more than 100 000. Despite all the restructure that had been undertaken and the repositioning of government services, when the coalition went to the people in March it was overwhelmingly voted in as the government the Victorian people preferred. At a time when everything was turned on its head in order to mend the financial mess we found ourselves in, the government was able to restructure and still maintain the confidence of the Victorian people.

In the period from 1992 to 1996 there were times when I was concerned about whether the many

small towns and communities in my electorate would be able to cushion the changes that were being made. That situation was compounded by droughts, summer rains and a loss of income. We went to the people and said, 'Trust us!'. I am delighted that not only did they trust us but now it is payback time for country Victoria!

Hon. D. A. Nardella - They were paid back when you closed their railway lines!

Hon. R. A. BEST - We have heard from the greatest numbskull who has ever sat in this house. After three and a half years in opposition he does not know that not one railway service has been closed. The service may have been changed but not one service has been lost.

Hon. D. A. Nardella - Ask the passengers!

Hon. R. A. BEST - It is frustrating to hear the total ignorance of members on the other side of the house. All Mr Nardella does is sit there and blame the government for everything that goes wrong. The sun has risen in the morning - it is the government's fault; it goes down at night - it is the government's fault! I suggest he read the information presented by the government. So please read the autumn economic statement!

Hon. D. A. Nardella - It is a load of jw/k! The passenger rail service to Mildura has closed! You dosed it!

Hon. R. A. BEST - The government still provides a coach service to Mildura. It leaves from Bendigo and for 90 per cent of the time it is 80 per cent full. The patronage on the coach service to Mildura has increased. You are talking through your hat, Mr Nardella! This is payback time for country Victoria. Not only have we made an announcement -

Hon. T. C. Theophanous - Is that why you did so well in Mildura?

Hon. R. A. BEST - I am delighted to address that issue. I happen to have the election results with me, and they should give no comfort to the Labor Party whatsoever. They show that in Mildura in 1988 the Labor Party polled 21.53 per cent of the votes, but in 1996 it polled 17.9 per cent. Its vote decreased.

Hon. T. C. Theophanous - In case you didn't realise, you lost the seat!

Hon. R. A. BEST - There is no comfort for the Labor Party in the Swan Hill electorate where exactly the same thing happened. In 1988 the ALP vote was 20.06 per cent and in 1996 it polled 17.35 per cent! Not only has the Labor Party been rejected by the people in the metropolitan area, it has been unable to retain support in country Victoria.

I am delighted to illustrate the way the government will address the concerns of country Victoria. A number of major funding commitments have been made to assist areas throughout my electorate. The government is now in a position to address the neglect of the Labor years. Significant funding has been announced for a number of key areas such as health, education, transport and water reforms.

By this year and during the next three years Bendigo and the other regional centres of Ballarat and Geelong will receive specific funding to provide for capital works and other initiatives. Some \$37 million will be provided for the Bendigo Health Care Group and \$7 million for an accommodation and psychiatric nursing home with outpatient, respite and palliative care.

Not only will the major regional centres benefit from health funding announced in the autumn economic statement, but also smaller hospitals such as the Boort District Hospital will receive \$250 000. Donald District Hospital will receive \$145 000; Inglewood Hospital, \$220 000; Mildura Base Hospital, \$10 million; Mount Alexander Hospital in Castlemaine, \$3.5 million; Ouyen and District Hospital, \$500 000; and the Swan Hill District Hospital, \$12 million. Those are significant contributions to country Victoria. Last week we heard the Minister for Health explain his commitment to small country hospitals, and that is totally supported by the funding provided in the Treasurer's statement.

Many concerns were expressed about the way the education system was to be restructured. During the past three and a half years I have been delighted that a significant amount of money has been provided to ensure the restructuring of education is supported by an upgrading of capital works facilities. This process is continuing in the autumn economic statement because almost \$1 million is being allocated for the Maiden Gully Primary School, \$1.2 million for Spring Gully Primary School and \$943 000 for Strathfieldsaye Primary School. The very small town of Manangatang is having its primary school upgraded through an allocation of \$298 000.

I congratulate the Minister for Education because again we are receiving the results of the LAP test and technology upgrades. In my electorate nothing is more impressive than the performance of the Bendigo Senior Secondary College which, in the past two years, has been allocated millions of dollars in capital works as well as \$1 million for science and technology so that it can be part of the navigator schools scheme. The Bendigo Senior Secondary College is a showcase for education for the public school system because not only does it have the facilities, but it has achieved excellent academic results.

A major component of the Treasurer's statement was the maintenance and refurbishment program to which \$15 million has been allocated this year. I am hopeful that schools such as Specimen Hill, Laurel Street, Winter's Flat, and Redcliffs East will be recipients of funding from the program.

The TAFE sector is also benefiting from government funding. The Bendigo Regional Institute of TAFE will receive \$500 000 for property acquisition of the old saleyard site, because the new saleyard, to which the government has committed \$2 million, is being relocated to the north of the city. Approximately \$750 000 has been allocated to the regional institute of TAFE for new campuses.

I am delighted the government remains committed to the refurbishment of the Calder Highway. Unfortunately, federal money has not been allocated to the project and no money was spent on improving the highway during the administration of the former Labor government. Recently the Minister for Roads and Ports, the Honourable Geoff Craige, announced a \$18.5 million upgrade of the Diggers Rest to Gisborne section of the highway, which is vital for regional development and for rural producers to get their produce to the market. The former Minister for Roads and Ports, the Honourable Bill Baxter, was responsible for allocating significant amounts of money to roads in my electorate through the Better Roads program.

The government is not only increasing services, but upgrading facilities. Rail patronage from the Bendigo rail station has increased by 11 per cent since 1994-95. The government is meeting the demands by ensuring extra services are available on weekends, particularly on Sundays, so that the students commuting between Bendigo and Melbourne have a viable form of transport. Bendigo railway station will receive an upgrade worth \$90 000, while Kangaroo Flat and Eaglehawk

railway stations have each been earmarked for \$18 000 refurbishment programs. The developer responsible for the market development on the Bendigo railway land adjoining the Bendigo railway station is contributing \$40 000 for an upgrade of the station. Transport access is important for regional development. I have already mentioned the Calder Highway and the 3-cent-a-litre fuel levy that are important components so that country Victorians can access their markets.

Tourism is another important area. The Castlemaine market project, to which the government has allocated \$2.25 million to create an historic precinct, is an important catalyst for the revitalisation of Castlemaine. During the adjournment debate last night and in the media during the past few days honourable members learnt about the unfortunate devastation caused by fire to the Castlemaine woollen mills resulting in the loss of some 80 jobs. I am hopeful that the Castlemaine market project will be brought forward quickly so that work opportunities can be created for those people who have unfortunately lost their jobs because of the fire to the woollen mills.

The provision of water is also important in assisting the development of regional Victoria. The Coliban Water Board has been restructured and amalgamated with other surrounding water boards. I was delighted to hear that the board announced a \$6.5 million project to dramatically improve the quality of water. It will make quality water available to small towns in the electorate of Bendigo West. For example, the towns to benefit will include Dunolly, Laanecoorie, Tarnagulla, Bealiba, Wedderburn, in the Swan Hill electorate, and Korong Vale and Pyramid Hill will also receive water treatment plants.

The new member for Bendigo West in another place attacked Coliban Water because of its restructure and its attempts to achieve efficiencies and savings. Coliban Water is acting in a business-like manner. It is not only streamlining its operations but is creating efficiencies and increasing the quality of water for residents in small country towns as well as creating opportunities for regional development.

The Minister for Finance, when wearing another ministerial hat as Minister for Regional Development, recognised the loss of opportunity for processing plants within the northern part of my electorate because of the lack of water treatment plants. If we are to address the problems associated with industry interstate and in metropolitan

Melbourne coming to country areas we must provide a level of infrastructure that will encourage them to establish their businesses in country areas closer to their source product.

As a member representing country Victoria, I am gratified to see money flowing back to country Victoria. There is no joy for the Labor Party in country Victoria. The government is keeping its promises to country Victoria.

Hon. D. A. Nardella - You broke them all after the election in 1992.

Hon. R. A. BEST - Mr Nardella says the government broke its promises after the election in 1992. That is inconsistent with the comments made by his colleague in another place as reported in the *Castlemaine Mail* of 17 May, which contained a report with a headline, 'Government delivers on promises'. The report referred to statements made by the honourable member for Bendigo West in another place.

Hon. W. R. Baxter - He must be an honest man.

Hon. R. A. BEST - He is a bit more intelligent. Mr Cameron is quoted as saying:

State government grants for the development of the Victory Park/Market precinct in Castlemaine, along with funding under the Rural Towns project for amenities in Castlemaine, Maldon, Chewton and Harcourt, were passed through Parliament last Wednesday.

What he meant was that the Treasurer's speech had been tabled in the house, so he missed a bit on the relevance there. But the article also says:

Mr Cameron said he is pleased the government has met its obligations.

Hon. D. A. Nardella interjected.

Hon. R. A. BEST - Unfortunately, as I said -

Hon. R. M. Hallam - Do it slowly.

Hon. R. A. BEST - I will start speaking slowly, as I think it is only fair. Mr Nardella, please start reading what is in the Treasurer's statement. Unfortunately, you obviously cannot get it through your thick head that the government is not only meeting its obligations and keeping its promises, as

recognised by your colleague, but there is also a total rejection of your party in country Victoria.

Hon. D. A. Nardella - Like in Bendigo!

Hon. R. A. BEST - Even in Bendigo West. It is important to put this on the record. In 1988 in Bendigo West in 1988 the Labor Party polled 44.97 per cent of the vote.

Hon. D. A. Nardella - That is the primary vote.

Hon. R. A. BEST - Absolutely. In 1992 they polled 45.53 per cent of the vote, so it went up. But in 1996, they polled 43.69 per cent of the vote. They got across the line only because of preferences. So in 1996 the liberal candidate had increased his primary vote from 30 per cent to 43 per cent. So there is little joy for you in the results.

Hon. D. A. Nardella - No, there is a lot of joy - in Bob Cameron being elected!

Hon. R. A. BEST - The electors of Bendigo West will be very disappointed in the level of work and commitment of the new member, compared with the work of the former member, Mr Turner.

Hon. Pat Power - That is ridiculous, and ungenerous. Disagree with his politics, but why criticise his work ethic?

Hon. R. A. BEST - Because it is showing through already.

Hon. Pat Power - Do you want us to get stuck into the new member for Eumemmerring? It is ridiculous.

Hon. R. A. BEST - During the election campaign, one of the initiatives released by the government was the policy entitled Bendigo - Building on Strength - Keep Victoria moving. Every one of the commitments in the policy has been identified and in most cases money has already been earmarked and the objectives have been met. As I said, \$37 million has been set aside for the redevelopment of the Bendigo health care group; \$2.2 million for Castlemaine's Victory Market precinct project; and money for constructing a new library for Castlemaine.

Hon. D. A. Nardella interjected.

Hon. R. A. BEST - Mr Nardella, I will say it slowly: you left this state in such a financial mess for

us that we have had to turn this state on its ear to rectify its financial problems.

Hon. D. A. Nardella - That is just rubbish.

Hon. R. A. BEST - So you didn't leave us a financial mess?

Hon. D. A. Nardella - There were, certainly, financial problems, but not of the magnitude of which you are talking.

Hon. R. A. BEST - In addition, \$285 000 is to be provided to the Central Deborah Gold Mine tourism project for the development of its above-ground visitors area. That will give tourists visiting Bendigo an opportunity to experience the history and drama of the gold rush days. As I said, staff and administration facilities at Bendigo Secondary College will be upgraded, and a number of other funding initiatives will be undertaken in the education sector.

There can be little joy for the Labor Party after the last election.

Honourable members interjecting.

Hon. R. A. BEST - The government's results and the Treasurer's statement presented to Parliament represent an outstanding achievement of commonsense, a strategic and diligent approach to rectifying a diabolical financial mess left by our predecessors.

Honourable members interjecting.

Hon. R. A. BEST - Now we have only 10 members of the opposition in this house. Prior to the last election there were 14 members and there was a bit less room on the opposition benches than there is currently. It is a bit disappointing that, unfortunately, with fewer members the intelligence level of the opposition has also gone down.

I welcome the Treasurer's statement and the strategies being put in place to keep Victoria going, to make it competitive, to address many of the financial problems we have faced in the past and to put us and our businesses in a competitive position for the future.

One of the problems I was approached about prior to the election was from a local member of the Real Estate Institute of Victoria. I am delighted to be able to welcome the announcement that stamp duty

concessions will be introduced for first home buyers of houses costing up to \$150 000. That was something I was lobbied about, together with the abolition of stamp duty charges for small business.

I must get two things on the record. I thank the house for the opportunity to make this brief contribution on the achievements of the government. I look forward to hearing the opposition's interpretation of the financial position Victoria now finds itself in. I congratulate all ministers on the job they have done for Victorian business and the general Victorian community.

Hon. SUE WILDING (Chelsea) - Since the election of the coalition government in 1992 much has been achieved in Victoria. Victoria is a different place from what it was prior to that time. Everybody involved in the turnaround can be proud of it. The fact that the 1996 election was such a resounding success for the Kennett coalition government has verified the fact that the directions we have been heading in over the past three and a half years have been the correct directions. The 1996 election results show that people are supporting this government and that they have accepted the changes that we have made. We have made some tough and hard decisions over the time and not everybody in the community has been fully supportive of all the decisions, but the community has respected us for the decisions we have made.

People not only support us but they have the confidence that this government will rebuild Victoria and make it the place it should be. Quite some time ago Victoria was respected as the jewel in the Australian crown. That confidence is being returned not just to the people but also to businesses as well. The 1996 election has given the government a sound basis for continuing in that direction. It has certainly given us the courage of our convictions. The people have the expectation now that we will continue in that direction, that we will have the vision not just to the year 2000 but to the year 2500.

The direction is certainly shown in Chelsea Province. Back in 1992 the area covered by Chelsea Province was represented by five members of the Labor Party and only one member of the Liberal Party. Now in 1996 the Liberal Party has five of those six seats. I welcome the Honourable Cameron Boardman to work with me in Chelsea Province, and Mr David Lean in another place who now takes his place in Carrum, having defeated Mal Sandon, one of the Labor Party's former ministers. With the percentage

increase in Frankston East, Chelsea Province is now a strong coalition seat.

Over the past three and a half years the government has improved many services to the community. The hospitals are treating 14 per cent more patients than they were treating three years ago and the direction technology in surgery is taking shows that nowadays many people receive a different sort of service. Twenty years ago an appendectomy meant a hospital stay of 10 days to 2 weeks. Now you are in for a much shorter period of time. The turnover in patient numbers indicates that today's technology and the way patients are treated enable us to take a different approach to health services. The government will provide \$5 million a year to expand the Hospital in the Home program and district nurse services. People get better a lot sooner if they are treated in their own home with their family and friends around them rather than having to stay in a hospital with strange routines and disturbances.

Education standards have also improved. More than \$336 000 has been spent on the Mordialloc-Chelsea Secondary College, and stage 3 of its redevelopment - not stage 1 or stage 2 but the third stage - will begin next financial year. The school has been amalgamated with the Aspendale Technical School. It was in a dreadfully dilapidated state; it was falling down because it had been neglected for many years. This government has undertaken a program to redevelop it and to provide improved staff and technical facilities. The Mordialloc-Chelsea Secondary College is only one school that will benefit from the \$3.5 million that is to be spent on schools in Chelsea Province to redevelop, to complete projects and to provide improved staff and other facilities so that students have a good environment in which to learn.

Demands have always been made of governments because of healthy community growth and the different services people need and the interests they have. Communities come to us with various requirements, and I do not think that will ever change. It is delightful to be able to support the local communities and interest groups that come to us. One group that came to me is the Chelsea Heights Community Centre. The centre provides all sorts of facilities. About 60 per cent of the population in the area is under 36 years of age so the local people require many sorts of services from their community centres. For example, there are two different types of child care provided by this centre. There is child care for parents undertaking classes at the centre and child care for people who want to do other activities

from the shopping to keeping appointments, which are much easier to attend if children are not there, too.

The Chelsea Heights Community Centre conducts all sorts of different classes such as leadlighting, dressmaking and pergamano, which is card embossing. I have been to see that and it is a very interesting craft. Quite a few students participate in it. There are family and youth groups, calligraphy classes and social youth activities such as gymnastics and judo. Another interesting subject is paper tole. One class is conducted on an Annemieke Mein craft. I do not know whether honourable members have had an opportunity to see her work but it is wonderful. I went to an extensive display at a gallery near Swan Reach that also has a display area where you can see how her work is produced. The community centre teaches others in the community how to do it.

This centre is in desperate need of an extension to cater for child care. Prior to the election, some colleagues and I and the then community services minister, the honourable member for Bendigo East, attended the community centre. To get in you have to knock on the front door and wait while they ensure all the children are away from the door; then they unlock it and you walk through the foyer where the child care is conducted. It is most unsuitable and I would be delighted if the centre could be considered for assistance because demand is growing. Perhaps the centre will be able to benefit from the \$3.6 million being set aside for kindergarten upgrades.

Mental health and disability services are two keen interests of mine and I am delighted that so much has been set aside to continue the program of residential placements for children with disabilities. The establishment of acute care units and community care units is also vital. The community has become more aware of the problems of mental health. Long gone are the days of the asylum up on the hill. People are recognising that mental health is a disease and is something we can treat.

Training centres are being redeveloped, as is H Block at Kew Cottages, and we are establishing new residences. The development of adult training support services with modern technology is important. Disabled people who, years ago, would not have lived to adulthood are living a lot longer because we are looking after them so well and because we have technology and modern medicine. It is up to us to provide for their care and training

and to give them something to do during the day. That is a considerable problem for many adult disabled people. There is an intense need for somebody to look after them and to take them shopping and out into the community. That is a responsibility we as a government have to take.

I am involved with the Chelsea Spastic Centre in Aspendale which at the moment is looking at redevelopment. It is situated on three separate titles: one is owned by the Roads Corporation, one is owned by the local council and the other is Crown land. The people who run the centre are not sure of its future and are fearful of being kicked off the site or that whatever is provided for them will not meet their needs. They are fearful of change and they do not want change for change's sake.

I attended a recent meeting with a number of parents and advocates of those people and they have similar feelings to some clients. They are scared of the future. Many parents have gone to look at other day training centres provided by the spastic society and although they have been impressed with the facilities they provide those parents are still unsure about what is best for their disabled son or daughter. Rather than looking on redevelopment as an opportunity to provide all that they would ever wish for their children they are fearful.

I spent some time talking to these families. They are quite happy to have their sons or daughters in the same facility as close to home as possible so they do not have to travel very far and spend a long time on the bus. We really have to regard this as an opportunity to provide more modern facilities and programs from which these people can benefit more than they have done in the past.

When I come to Parliament, I come by train. I think our train system has been improving considerably over the past three years. The trains are certainly a lot cleaner than they were when I first started travelling on them and they are certainly more reliable. According to the statistics in the autumn economic statement, the rate of cancellations of Met train services has fallen from 1 per cent in 1991-92 to 0.5 per cent in 1994-95. Service punctuality—that is, Met trains being on time within 5 minutes—has improved to 92.2 per cent. The transit authority is to be commended.

I am a member of the joint parliamentary Road Safety Committee, and road safety issues have been addressed in the autumn economic statement as well. I am delighted to note that the government will

continue its high profile with a road safety strategy and with the TAC and Vicroads. The decrease in fatalities on our roads over the past couple of years has been a great compliment to the work done by those authorities.

In conclusion, the government is committed to the future. It has a vision. It is committed to delivering services to those most in need. It is committed to providing for infrastructure, the development of human potential, the provision of opportunities for people to reach their full potential, and making Victoria a better place to live in and a great place to raise a family.

Hon. R. H. BOWDEN (South Eastern) - It is with a great deal of pleasure that I support the Appropriation (Interim 1996/97) Bill, which covers the appropriation and financing of government for the period 1 July to the end of October 1996.

The debate on this bill is an excellent time to remind honourable members of the considerable economic progress the government has made in this state. The numbers covered in the time frame covered by the bill are quite important. For example, the bill will authorise an expenditure of \$4808.7 million, just short of \$5 billion. It is interesting to examine the ratio between the recurrent expenditure and the works and services aspect of that large figure. Some \$4295 million of the total amount is allocated for recurrent expenditure that has to proceed, and the substantial amount of \$513.7 million is for works and services. Honourable members will be asked to concur with the bill, thereby agreeing to the expenditure of a large sum of money, because it will enable us to continue in this 53rd Parliament to make further improvements on the economic front that were commenced during the 52nd Parliament.

The government has an excellent record in fiscal management, and since October 1992 it has made consistent progress in the economy. It has proved itself to be a good financial manager and, indeed, one should hardly need to remind the house - but I will for the record - that when the Liberal Party took over in October 1992 the state was running at a current account deficit of approximately \$2000 million per annum, but the current account is now in surplus. That has not come easily. It has taken a lot of sacrifice and the people of Victoria deserve full credit for the cooperation and support they have given the government. They have recognised the need to turn around that very difficult situation of 1992, which the government has done.

During the period covered by the bill and the foreseeable 12 months we hope to achieve regular economic growth underpinned to a rate of approximately 3 per cent within the state's economy. That is a figure from which we can all derive fine satisfaction because it is predicated on a clear, understandable underpinning of the state's economy and is based on the fact that the state economy is now in a reasonable state of firmness and assured health.

It is unfortunate in one sense - it is well recognised by the government - that in turning around the very difficult circumstances that we faced in 1992 the comparative index of state taxes and charges is much higher than the government would like it to be. This is very much understood and accepted by the government and something it wants to change as rapidly as possible. The government totally understands the state has to be competitive with other states and has to be in a position to enable our businesses and economic entities to compete. So, to be too far out of line is undesirable.

The government is absolutely committed to reversing the temporary situation that currently exists. As affordability presents itself, tax reductions will be considered very carefully on a responsible program; they are very much to the forefront of the government's thinking because it is trying to achieve further records in creating an environment for further growth. We understand the very best thing we can do for the people of Victoria is to have a strong and healthy economy, good employment circumstances and good profitability in the private business sector. Therefore our attention, interest and commitment are focused on further improvements in the economic environment so we can present an opportunity for further growth, particularly for the private sector. Further growth is good; it generates taxes and profits. All Victorians, whether they be in the private or public sector, benefit from having a strong economy, and the government is absolutely committed to ensuring that is the case.

I remind honourable members of some of the well accepted, and recognised highlights of the achievements of the past Parliament. The 52nd Parliament will go down in the state's records as being an excellent Parliament. During that time the Victorian economy faced severe difficulty, but, led by this very capable government, the Victorian people achieved some very fine results. For instance, the productivity of Victorian workers has risen by at least 6 per cent from 1992 to the present time. It is not easy to get such a high productivity increase at a

time when - that is, 1992-93 - the economy itself was far from strong.

There has been a 5 per cent increase in real average earnings and this will indeed translate across. As professional economists will tell you real increases and real average earnings are what it is all about. State exports rose 33 per cent, or one-third, between 1992 and the present. That is a magnificent performance from our companies and a very good index of the confidence, commitment and productivity increases we have been able to sustain and encourage in the public sector, and indeed the private sector.

Melbourne now has the lowest inflation rate of any capital city in this great nation of ours. Currently the accepted inflation rate in Melbourne is reported to be 2.9 per cent versus 3.7 per cent per annum on a national indexed basis. That figure was taken from the Treasurer's speech of 15 May and is good news indeed that we are significantly below the national index of inflation. That not only allows us to compete with other states on a friendly, but cooperative and competitive basis, but it also further positions Victoria to be able to provide a competitive atmosphere and resource arena so that our companies can compete around the world in the export markets where we have had such great success.

Business confidence is up 20 per cent; that is measurable by different surveys. As I move around my electorate and talk to a number of senior business people and operators of small businesses on a very wide sample, I am seeing consistently that this state government, on a regular basis since its election in October 1992, is recognised as business friendly, interested in the private sector and willing to do what it can sensibly to facilitate business confidence. That has been responded to with a very clear, measurable increase of 20 per cent - a very fine record.

Sadly, the unemployment rate around October 1992 was reported to be around 12 per cent. We were certainly unhappy about that; unemployment is the scourge of our present economic profile nationally and so forth, but I must say the progress that this government has made since assuming office in 1992 is now such that we are able to report that on the latest available statistical information the unemployment rate is less than 9 per cent. That is in many ways, if one looks at our historical pattern of unemployment, again far too high; but it represents a significant milestone in achievement and progress,

where we have been able to lower the unemployment rate from the dreadful 12 per cent average down to less than 9; and we will continue to be mindful of the need to reduce unemployment.

Accurate employment statistics have been provided to us from the library reporting service and the statistical services that provide the data to the government, showing that 180 000 new private sector jobs have been created in this state - again, I repeat, in the private sector - since 1992.

I can recall a few short years ago, at about the time of our previous government and the time when we took over in October 1992, the alarming number of Victorian people who were migrating from this state to other states, or planning to permanently move away from Victoria - it was far too high. It is pleasing to be able to advise honourable members that clear and regular statistical data is now showing that, due to the economic progress, improvements in our state economy, the restitution of the health and welfare of our private sector, and the encouragement that we offer the business sector that interstate migration rate has been drastically cut back and a substantial number of people are returning to Victoria to live permanently. We are very pleased about that.

The theme of the Appropriation (Interim 1996-97) Bill is confidence; confidence is a fragile flower. Confidence is something that one has to work hard at to start and to maintain. We have been able to bring it to the people of Victoria; compared with those dark, dismal and dim days under Labor we have been able to turn it around and bring confidence to the business community and to the people of Victoria.

For instance, in my electorate in the Hastings area the Lysaght steelworks, a subsidiary of BHP, is doing well. Its production is up, it is shipping exports overseas and confidence based on that one index is very good indeed. Likewise, investments in the energy industries has been good. Again in the Hastings area there has been significant investment in LP gas and the petroleum industry; we are particularly pleased to see that all the massive investments in the state in the energy and the manufacturing areas contribute to raising our living standards - which is really what we are all about.

When we attained office state debt was a massive problem and was getting worse every day under our predecessors. One of the things we resolved to do as a government was to address that, in order to begin

the long haul back to the restoration of economic health to Victoria. As a matter of fact, as far back as a year ago debt was still at \$33 billion. Now with this government's positive and constructive privatisation program, it has been able to receive \$10.7 billion in the past 12 months, which has now reduced the state debt to \$22 billion. Reducing the state debt to \$22 billion is a massive achievement; state debt is far too high, but we are working at it and we believe that by 1999-2000 that figure will be substantially reduced by our excellent performance.

While we have made a lot of progress in our public sector debt servicing ratios, we still have a burden much higher than South Australia and Tasmania and significantly higher than our sister state, New South Wales, to the north, with whom we have to compete in many ways. But I must say that it is very satisfying that the progress the government has made in reducing the state debt will help us very much to be able to cut our costs, make the state more competitive and create a lot more jobs.

The emphasis of this appropriation bill is to look at the strategic directions the government will follow - and we are putting an emphasis on services. To give an example, in 1995-% Victorian public hospitals treated approximately 850 000 patients, which was 14 per cent more than the average of three years ago. The interesting statistic is this: we treated 14 per cent more on average in number of patients at a 25 per cent lower cost per patient in real terms. More patients were treated at 25 per cent lower costs. That is a tremendous achievement by the former Minister for Health and an absolute tribute to the dedication and the quality of government management. Those numbers are spectacular.

Because of the actions of the disgraced and discredited previous government, the Labor government - the Guilty Party - at the time we took over in October 1992 there was a disgraceful list of 924 patients waiting for 30 days or more for urgent surgery. I would not like to wait 30 days for urgent surgery! You could have a heart attack and have to wait 30 days - shame!

Honourable members interjecting.

Hon. R. H. BOWDEN - And you still have not learnt! I am pleased to say that with the dedication of and proper economic management provided by this government, by December 1995 that disgraceful figure had been reduced to only three patients - not 924 as it was under the disgraceful Guilty Party.

Honourable members interjecting.

Hon. R. H. BOWDEN - It hurts them to have someone stand up and point out to them how incompetent, how disgraceful, how discredited they are. There were 924 under Labor - and only three under us. I think that is a magnificent achievement of the Kennett government, and the minister deserves tremendous praise and credit for that December 1995 figure of only three people.

I turn to education. The Guilty Party hates to see programs like LAP, which are designed to encourage parents to understand that literacy and numeracy are absolutely vital skills that students have to have to make their way in life. The practices and measurements implemented by the present government have proved that 90 per cent or more of primary students tested in years 3 to 5 are reaching appropriate standards in English and maths - in other words, they have literacy and numeracy skills. That is extremely important because a clever state and an informed community must be literate.

The Labor Party hates to have a literate and informed community. It does not want people to be aware, to be literate or to understand economics because if people have those skills Labor will not be able to pull the wool over their eyes. The government's achievements hurt Labor because the government is making progress.

The LAP tests and processes have been a phenomenal success and through them the government is protecting the community from the ideological ravages of the Guilty Party. The government puts much store in its achievements in making sure Victorians can read and write and will continue to work to achieve that end.

New annual expenditure of \$100 million is forecast and scheduled in the bill and I turn to speak on some of the services involved. An extra \$14 million has been allocated for teacher training in technology. That fantastic initiative is to help teachers understand what the new age is all about. The government wants teachers to provide children with the very best information to enable them to understand and properly use technology.

The government also proposes spending \$10 million extra on administration and support for teachers. The government wants high quality professional teachers and is prepared to put money on the line to achieve that Reading recovery programs are also important for children who need reading assistance

because literacy and numeracy skills are vital and the government will spend \$6 million in the immediate period ahead to improve the reading ability of children through the reading recovery program.

Australia is a very successful multicultural society. The Victorian government recognises it is important to provide money for bilingual teaching facilities and is investing - not spending, investing - \$4 million extra in bilingual courses for bilingual schools. That is a terrific investment in the community and something all honourable members on this side of the house support wholeheartedly. The government is intent on investing money where it is needed.

There are many compassionate people in the Victorian community who assist people in their homes and there are many elderly people in the community who need medical assistance. For that reason \$25 million extra is being provided through the community-carer package. The government is also providing an increase of \$8 million in youth suicide prevention measures. A high level of youth suicide is a tragedy and the government is doing everything it can to minimise the incidence of youth suicide, beginning with that additional \$8 million. Foster care is also badly needed and the government is spending \$4 million more on foster care programs.

Although we try to get the message through that to have quality manufacturing in a modern society you must have appropriate infrastructure, no-one in the Guilty Party really understands capital works or that an efficient economy needs infrastructure. The government has committed itself to infrastructure investment to the level of at least 1/4 per cent of gross state product. That is a tremendous achievement and something of which we should all be proud.

In the 1996-97 year the government is starting a \$1000 million program of major investments and will spend \$287 million in the first year, of which \$156 million will be spent on hospitals. More will be spent on new schools and TAFE colleges, including \$20 million for the Classrooms of the Future program. Under that program classrooms will be upgraded and have the latest technology installed so that students have access to competitive technologies. In the transport area, Flinders Street railway station will be upgraded. Parliament House will be well and truly improved and there will be a massive improvement in the circumstances of the National Gallery of Victoria. Those examples give a

glimpse or snapshot of the massive commitment the government is making through the provision of 1¼ per cent of gross state product to infrastructure investments.

Tax relief for small businesses will save them \$10 million a year on stamp duty on refinancing of business loans. First home buyers will benefit from changes in stamp duty through the lifting of the value at which stamp duty is required to be paid and there will be a \$150 000 threshold imposed. Pensioners will benefit from stamp duty concessions by having the limit on the value of their homes lifted to \$100 000.

Turning to the government's progress in cutting costs in the community, since 1993-94 electricity costs have averaged \$100 less a year per household and there have been freezes on the real costs of electricity, gas and water charges. Local government rates have fallen by approximately 20 per cent and the state deficit levy - Labor's tax - has gone. The government has reduced the impact of land tax and saved \$400 million through reductions in state debt.

The emphasis of the government is clear: it is about improving the economy and making things better for the people of Victoria. Confidence is up. The 53rd Parliament will build on the achievements of the 52nd Parliament. To give honourable members some idea of the government's achievements, in three and a half short years the government has wiped out Victoria's deficit on the current account of \$2 billion a year.

The government was able to report in the Treasurer's speech of 15 May that the headline surplus in 1995-96 is \$4.936 billion. I want members of the Guilty Party to listen to this because they could never have achieved these numbers. I want them to understand, so I will repeat that figure because I do not think some opposition members absorbed it. The government has achieved a surplus of \$4.936 billion. Included in that figure is \$4700 million from the proceeds of privatisation, and if we were to exclude that figure we would still have a surplus of \$141.7 million. That is absolutely magnificent!

For the edification of opposition members I will give a glimpse or snapshot of the benefits of the government's achievements to the community. In 1997-98 the government will build on that \$141.7 million and will achieve a \$300 million surplus. The Guilty Party would not even know what \$300 million was! In 1998-99 the government

will achieve a surplus of \$200 million - and that is on top of the 1¼ per cent investment in infrastructure. The Labor Party is the Guilty Party because of its discredited economic management.

Sitting suspended 6.30 p.m. until 8.03 p.m.

Hon. R. H. BOWDEN - I was just reflecting on the government's solid economic performance. It has been difficult for the opposition to contain its natural enthusiasm and its embarrassment; that is why it has insisted on provoking me. I shall endeavour to resist further provocation.

Before the suspension of the sitting I said the government had reduced state debt from \$33 billion to \$22.7 billion, which is well and truly down the track towards an A A A rating. When the coalition government took office in October 1992 Victoria's credit rating had fallen very severely indeed, but since that time Victoria has had three upgradings and we are confident Victoria will reach an A A A rating by 1999-2000. It will be a great achievement if we can do so; it will mean hundreds of millions of dollars in savings for the people of Victoria in the servicing of state debt.

When I looked at the Treasurer's statement, which contains information that is necessary to understand the Appropriation (Interim 1996-97) Bill, it was interesting to note that as recently as two or three years ago the interest rate on premium 10-year government bonds was 90 points above the respective position of New South Wales, and that has fallen to a premium of only 2 points in the financial market. That is spectacular progress and it has resulted in millions of dollars in savings, which is good news for the people of Victoria.

In 1992-93-a base calibration year for the fine performance in the autumn economic statement - when the coalition took office Victoria was overspending by an index relevant to the state average of 13 per cent. Wonderful changes have been made and a measurable improvement has occurred. The staffing levels of the public service have been cut by 20 per cent but the service, productivity and quality have improved. We are particularly proud of that. New schools are being built and operated in areas of greatest need. Hospitals and health services are situated in appropriate areas, which is positive. It is pleasing to see that state government bureaucracies have continued the 1.5 per cent per annum productivity increase, which has been achieved over the past three years.

The implementation of technology is extremely important. Victoria depends on manufacturing to move forward but also we must introduce new technology. It is pleasing that millions of dollars are being provided for teacher training in technology. I am happy to see a flow through of extra dollars for acute-care services in hospitals. Acute-care facilities and emergency wards in hospitals are extremely important and they are receiving attention as a high growth area. I am pleased to see that.

Victoria's demographics are changing; with the ageing of the population it is satisfying to see the government's compassion and the high degree of concern it has shown by providing greater assistance to family carers. The government recognises that by encouraging older people to live comfortably in the environments they know best they are adding to their quality of life. The government is increasing funding for family carers so that older people can receive quality care in their homes.

Victoria has a high level of manufacturing. Transformation and value-adding are important to our economy. The achievements of Workcover are nothing if not spectacular, with savings to employers since 1992-93 exceeding \$500 million. Employers have not had to spend those funds servicing unnecessary claims and premiums.

I turn now to the progress the government has made, and continues to make, by lowering the cost of living in Victoria with its reform programs in local government. Honourable members know that because of council amalgamations their numbers have reduced from 210 to 78. The successful amalgamation process has resulted in a high level of cost reduction.

The government introduced legislation requiring the implementation of compulsory competitive tendering (CCT), and that is now gathering pace. We are pleased to learn that most councils are on target. A few councils have exceeded their targets by increasing private sector opportunities and lowering costs for residents. The amalgamation process and the CCT program has resulted in savings of \$263 million in 1995-96 and a rate reduction of 17.7 per cent on the previous rating year.

Business rates have fallen by an average of 20 per cent, a spectacular and important reduction. As I said earlier, before I was provoked by opposition members who were sensitive to the points I made, the public sector will continue to receive substantial investment under this caring government. Money

has been allocated for schools, bridges and hospitals. When the Neanderthals of the Guilty Party - the remnants of the Guilty Party - hear good news about further economic progress they want to interject. They hate to hear the good-management stories government members speak about. They are embarrassed to hear about the government's spectacular successes.

The restructuring of the prison system and the building of new prisons by the private sector will release funding for major capital works while at the same time raise the quality and standard of prisons through the introduction of new technology and modern facilities.

The development of the Cranbourne railway station and the electrification of the line from Malvern to Cranbourne is an indication of the forward and excellent planning of the Minister for Transport. Under the retrograde programs of the former Labor administration little was done, but the line has now been electrified, providing an excellent service for the people of Cranbourne. The upgrading of the railway station has improved safety and is an example of the excellent management techniques of the government.

I now refer to the small business area, where the government reduced regulations and the number of licences required by 25 per cent in 1995 alone. I also note that the Minister for Small Business has an aggressive program to make sure the improvements in that area continue. I am enthusiastic about working with the new minister because I know her understanding of small business is very good and that she wants to ensure the small business sector will continue to benefit from government action. Approximately 95 per cent of all registered businesses in Victoria are small businesses, so the minister is responsible for 95 per cent of the action in the state! I know that with her enthusiasm and commitment to her portfolio significant progress will occur in the years ahead, and that is why the allocations to her ministry are important for the future of the state.

The \$10.7 billion received for the privatisation of government utilities has been applied to reducing state debt to \$22 billion with the consequent saving of \$400 million in interest. The privatisation program has been a successful part of the economic management of the state.

Victoria's export potential is extremely important. The *Australian* of 11 February has a headline,

'Exports to jump' and the report provides encouraging statistics for various countries, including Australia. Victoria is leading the charge in manufacturing exports. On a quarterly basis, in 1988 Victoria exported \$8.5 billion worth of goods, but in 1994-95, the last available figures, Victoria exported \$13 billion worth of goods. It is a spectacular increase in total exports, and that has the flow-on effect of extra jobs. The initiatives undertaken by the former Department of Business and Employment are encouraging international businesses to locate in Victoria. The new Minister for Multimedia is looking at projects that will ensure Victoria has access to the best technology.

Some months ago the then Minister for Industry and Employment released the Advantage Melbourne initiative, the result of sophisticated research that showed that Melbourne compared extremely well with many cities in Asia, North America and Europe. In fact, it was shown to be the most productive and cost-effective city for multinational companies to locate to. That type of promotion can only help the state economy.

I will touch briefly on commonwealth-state relations as they affect Victoria. Victoria has a three-tier level of government and, sadly, prior to the election of the Howard government, the federal Labor government was of no help to states. It short-changed Victoria and cut back on road funding. In fact, it ripped us off. It is a pleasure to have a Howard government in Canberra that will encourage a cooperative approach to commonwealth-state relations. It will be a good thing for the people of Victoria. The cooperation that will occur between the federal and state governments will cause acute embarrassment to members of the opposition.

Prior to the suspension of the sitting I must have scared off or embarrassed members of the opposition, because the opposition benches are empty. It is a pity members of the opposition are not prepared to hear the good-news stories. They are embarrassed and sensitive about the success of the government.

I have much pleasure in supporting the bill, because over a four-month period the \$4808 million appropriation will allow the government to continue the initiatives it has undertaken and fund the recurrent and capital components of the economy.

The Age - a paper that has not always been kindly disposed towards the government - of 13 May contains an analysis of the government's

administration and carries the headline, 'Books bring deserved smiles'. Everyone should take comfort from the article.

A close examination of the bill will show that Victoria is making progress and is increasing the expertise and technology of the community. The Treasurer summed up the emphasis of the government's administration on page 14 of the economic statement when he said among other things that the four medium-term targets the government wanted to achieve were to: maintain the public sector investment to around 1.25 per cent of gross state product; continue to achieve real reductions in per capita service delivery costs through improved productivity; use privatisation proceeds to reduce public sector debt; and achieve an operating surplus sufficient to cover depreciation of the budget sector capital stock without increasing the state's overall tax effort.

As we apply those large privatisation funds and proceeds to reduce the public debt we are dramatically reducing the need to service the debt that remains. Those interest savings, coupled with our increasing credit worthiness and the upgrades we have received and will no doubt receive in the future, mean we will save many millions of dollars that would otherwise have been spent. I recall not so long ago that our sister state, New South Wales, through a lower debt profile had \$1000 million more to spend per annum on its public sector than we do, simply because of the differentials between the New South Wales public debt and the Victorian public debt. We will continue to drive our public debt down so we can approach that A A A credit rating and reduce our expenditure.

The last thing in the statement as espoused by our fine Treasurer is that we will continue the discipline of operating on current account surpluses. Those surpluses may vary a bit but the discipline required to ensure that we maintain a current account surplus will not only serve us well but will continue to strengthen the economy and will ensure the state's taxation burden will also continue to be lowered. In that way we will improve our competitiveness and ensure that we not only make an excellent contribution to the economy of Victoria but that this great state, with its massive influence on the national accounts, will play a productive and increasing part in the accounting picture.

Having had the indulgence of the chamber, I thank honourable members because there are so many good stories in the Appropriation (Interim 1996/97)

Bill and in the Treasurer's statement that it is hard not to be excited about the prospects ahead for the people of Victoria, under the cautious, wise and compassionate government that we are delivering. It is with great pleasure that I support the bill.

Hon. E. J. POWELL (North Eastern) - First, I congratulate the Treasurer of the State of Victoria, the Honourable Alan Stockdale, for providing a responsible and sustainable autumn economic statement. I commend also the Kennett coalition government for turning the economy around since 1992 when it came to government. The coalition government inherited a massive debt. Honourable members have heard it all before and I won't go through the figures that others have mentioned. Although we have slashed the debt by one-third, it still stands at some \$22 billion. This turnaround in Victoria's economy has come at a cost to the community. The pain was felt heavily in rural and regional Victoria. It is gratifying to see that the benefits are being directed into those areas.

Most Victorians recognised the need for tightening the belt and did so. The confidence and support Victorians have shown in the re-election of the coalition government prove that Victoria is now on the way to bringing its house to order and that we are now ready to move on and compete with not only Australia but the rest of the world. I acknowledge the presence of Miss Gould and Mr Nguyen in the house.

Honourable members interjecting.

Hon. E. J. POWELL - I turn to consider the autumn economic statement and highlight a few initiatives that are for the benefit of all Victorians.

Honourable members interjecting.

Hon. E. J. POWELL - The statement refers to competition and regulation in the following terms:

The government has in place a range of policies which are increasing the flexibility of the Victorian economy and lower business costs. Important examples include:

... the restructuring of workers compensation arrangements ...

That includes initiatives of getting Victorians back to work and helps with business practices. The statement continues with the observation that the government's policies have:

... also saved Victorian employers some \$500 million per year ...

That benefits small business, and if it benefits small business it will increase employment. It continues:

... the amalgamation of local councils, which has saved ratepayers some \$263 million per year.

The number of local councils was reduced from 210 to 78 and rates were reduced by 20 per cent. The benefits will be ongoing. The restructure of local government has changed the way that local government provides services. It must now test on the market all the services and goods it provides and must be competitive with the private sector, which means lower costs and a saving to the community. It raises the question: does local government need to provide that service? That is something local government has been asking itself, as well as: is it in a position to provide the service? Does it need to? Can the private sector do it better?

When I was a commissioner on the council of the Shire of Campaspe I was a member of one of the groups that went into the community and asked people which services they would like to see delivered. We gave people an opportunity to comment on the budget. Many people said that bigger local government would mean loss of representation to their council. The council I belonged to found that not to be true.

The statement says that the government's policies include:

... measures to enhance the flexibility of Victoria's labour force.

Measures need to be a lot less stringent so that our small businesses can work within the confines of what they do themselves rather than have impositions inflicted on them. The statement refers also to:

... reform of environmental and building regulations.

That will only improve competition in the building industry as council building inspectors now have to work in line with the private sector and not only in council hours - that is, they can work in the confines of 24 hours a day.

The statement says:

The government is also promoting tourism opportunities and helping firms to secure access to rapidly growing export markets.

The benefits of that to my electorate are enormous. The tourist attractions include the port of Echuca, the Connection in Shepparton, the Kyabram Fauna Park, the Tongala Golden Cow, the world-class wineries, the snowfields in winter, and the historic gold rush towns. If we can get people coming to Melbourne, the spin-off is that they will go into rural and regional Victoria.

Some other election commitments in the autumn economic statement are teacher training in learning technologies, which has received an allocation of \$14 million in 1996-97, with ongoing commitments to the year 2000. These sorts of commitments are fantastic for teachers because they allow teachers to keep up with the information technology that is going on and enable them to pass it on to our young people, which makes us competitive with world standards. Additional administration and teachers' support and teachers' aides will be provided. After the cutbacks these are positive steps to provide support.

Bilingual schools and teachers will get \$4 million, with an additional \$4 million each year until the year 2000. This is particularly important in my electorate, which has a big non-English-speaking background component. These sorts of initiatives are to be applauded and I hope they continue.

The dual recognition program will receive \$4 million in 1996-97, and \$2 million each year to the year 2000. This will allow students doing their VCE in years 11 and 12 to have workplace opportunities to give them a better understanding of what is needed in the workplace so that when they leave school after having completed the VCE they can become part of the work force knowing what is needed as a worker.

The community carers' package that others have spoken about is one of the great initiatives of the government. It shows how our caring government will put funds back into programs for those people who are hurting and will look after people the community had forgotten or who would cost millions of dollars a year if they have to be in hospitals and so forth. Those sorts of initiatives are very worth while.

The ongoing allocation until 2000 of \$8 million for youth suicide prevention is a great initiative. The lack of funding for the personal emergency line

which operates in my electorate and which deals continually with people who intend to commit suicide has meant that it can operate only 12 hours a day. However, a 24-hour service is needed because suicide usually takes place in the early hours of the morning or when there is no other support. That initiative is vital.

Increased payments for foster care are welcome as people move in and around rural areas and lose touch with their family networks. Those sorts of initiatives are always worth while. Some \$2 million has been provided, with a continuing commitment of \$200 000 until 2000, for increased police training. Officers need to know about drugs and their effects so they can handle people with drug problems. Many mentally disabled people have been released from institutions, so the police need to be able work with those people and be more sympathetic. They need the skills to know what to do in life-and-death situations.

Another initiative I commend is the provision for continuing agriculture and food research, which is very important for rural Australia as it tries to match world-best practice. There are three major TAFE colleges in my area, all of which are wonderful because they allow young and old to go back to school. The Benalla campus of the Wangaratta College of TAFE will receive an allocation of \$300 000 in 1996-97, with remaining expenditure of \$3.67 million; and the Wodonga college will receive a total of \$3 million, with a further \$445 000 of ongoing expenditure to 2000.

Hospitals in the region have fared well over the past few years. The Wodonga District Hospital has received the most funding, for the redevelopment of its acute care facility. It will receive funding of \$11.3 million - \$3 million in 1996-97 and \$8.3 million in remaining expenditure. I should like to talk about education in my electorate. As at the end of May 1996 the allocation for the previous three years totalled almost \$19 million. Spending on schools has increased under the coalition government, which is pleasing. Funds for maintenance are down on last year: the need is not as great because so much was spent on maintenance last year. Some \$15 million was spent on school maintenance - not capital works - and this year more than \$1 million will be spent. I will not mention all the schools that secured funding, although there are 18.

The Cohuna District Hospital will receive funding for an upgrading of acute wards, theatres, birthing

rooms and ablution areas, the total expenditure for which is about \$600 000. The necessary construction work commenced in March. Other hospitals include the Echuca Disbict Hospital, which will receive total funding of \$879 000. About \$127 600 will be spent on capital equipment in the acute health division and \$661500 for an emergency generator. The overall total is \$879 000, while the funding for this year is \$23 500. Those amounts have not been expended yet but work will begin shortly.

The Kyabram and Disbict Memorial Community Hospital will receive 40 acute beds, a 4-bed high-dependency unit, a 6-place day procedure unit and 2 birthing units. The total funding is \$418 227, and stage 1 will be completed in June 1996. The entire project will be completed in December 1997. Hospitals are being upgraded to meet community needs into the next century. The Rochester and Elmore hospitals will receive an increase in nursing beds and the primary care services will be redeveloped. The allocation for the Rochester and Elmore hospitals is \$956 784, and tenders for the redevelopments closed in March 1996. I am pleased that the work will be done this year. As honourable members can see, health services - not including capital funding for major hospitals - are receiving plenty of funding in rural areas.

Rural Victoria fared well under the former Minister for Roads and Ports. People in North Eastern Province have complained about roadworks, a positive sign that things are on the move. In the 1996-97 budget almost \$3.8 million has been allocated to the Better Roads program for the maintenance of roads and bridges in the region.

A budget allocation of \$80 million has been made available for the completion of Parliament House. As did many honourable members, I attended a meeting at which the completion of Parliament House was discussed. Mr Baxter is to be appointed chairman of the Parliament House Completion Authority and will oversee the plans and construction, which must be completed by 1999. One of the ues raised at the meeting was the appalling state of some of the offices in which honourable members have to work. Some offices house three or four members. It is hoped that when the north and south sides are completed each honourable member will have his or her own office. That will bring us up to date with conditions in the private sector.

People in the public gallery see these beautiful chambers, but conditions in the offices in which we work are less than desirable. Some members of staff

are working in fairly harsh conditions. There were a lot of comments about building design. Parliament House was designed many decades ago and it is good for its age. Not many buildings stand the test of time as well as this one has, and when Parliament House is completed it will again be the jewel in the crown of Victoria. Mr Baxter looks forward to working closely with the construction team. I thank the house for its attention this evening.

Hon. G. B. ASHMAN {Koonung} - I t is with a great deal of pleasure that I support the autumn economic statement. The turnaround Victorians have witnessed over the past three and a half years has been nothing short of remarkable. The state's position is now vastly different from the situation the government inherited in 1992. There is now confidence, a vision for the future, and a population that understands the direction the government is taking and is going forward with it. There is a very clear vision on the quality of life, security and social wellbeing that all Victorians require and desire.

The state's financial framework has been restored. It has now been strengthened through the economic statement. Prior to the 1992 election Victorians' self-esteem was indeed low. Around the country Victoria was the butt of jokes. But now Victoria is regarded as being the model for what should occur in other states. Indeed, judging by the number of visitors to Parliament House and the respective ministers' offices, Victoria is being studied very closely by all other state governments and in many instances by overseas governments as a model for learning how to recover a lost economy.

Comments have been made throughout the debate about the loss of population to other states. It is pleasing to note that Victoria now has a net gain in population. It is only a very small move back to Victoria but it is positive. As I understand it, through the quarter to September last year some 2453 people were added to the state's population. So, Victorians are no longer leaving the state for warmer climes. Indeed, there is now significant evidence to show that Victorians who had migrated to other states are returning to enjoy the prosperity that is becoming quite evident in Victoria.

Business confidence is up. Prior to the 1992 election businesses were leaving the state. Victoria was getting a reputation as the rust belt. However, significant new investment is occurring and new plant and equipment are being installed here. Businesses are forecasting a significant improvement in their prospects and indicating to the Victorian

Employers Chamber of Commerce and Industry and other such organisations that their prospects are on the improve quarter by quarter. Indeed, it is fair to say that industry is now more confident in Victoria than in any other state.

The gross state product has shown a remarkable turnaround since 1991-92. In the last year of the Kirner government gross state product decreased by 1 per cent. After the election of the Kennett government it rebounded to 4.5 per cent in 1993-94 and increased by 5.7 per cent in 1994-95.

There has been a sustained increase in economic growth since the election of the Kennett government. Manufacturing output in Victoria has also increased significantly in the term of the Kennett government, by 36 per cent, which is quite a significant achievement in itself, and it is certainly significant when compared with the national growth figure of only 22 per cent over the same period. So Victoria is clearly outperforming the other states and doing better than the national average.

It is also interesting to note that inflation in Victoria is running at a lower rate than in any other state. In the last quarter to March this year the consumer price index increase was 2.9 per cent in Victoria compared with the national increase of 3.7 per cent. Similar figures show up in the retail sector, where there has been a steady increase in retail turnover since 1993. As many of us will recall, prior to the election of the Kennett government retail turnover was on the decline and there was a lack of confidence in that sector. The 6 per cent increase in retail turnover and the underlying inflation figure demonstrate Victoria's performance has been particularly good.

Unemployment has also fallen during the period of the Kennett government from a peak of 12.9 per cent in February 1993 to 8.6 per cent in the first quarter of this year. That fall of 4 per cent is a major reduction and represents the creation of more than 200 000 jobs in this state - and that is even allowing for the reductions which have occurred and which needed to occur across the public sector. There has been a significant turnaround in Victorians' employment prospects.

The job vacancy rates tell an even better story. In 1992-93 the unemployment vacancy rate was 50.9 per cent; in the first quarter of this year it has dropped to 13.8 per cent. In other words, in May 1993 there were 51 unemployed people for every advertised position, but at the end of the first

quarter of this year there were only 14 people for every vacancy. That is a reduction of some 73 per cent, which all members would have to acknowledge represents a significant turnaround and a remarkable achievement. Similar improvements are reflected in the youth unemployment figures. All honourable members have had major concerns over the years about the youth unemployment level. However, the number of long-term unemployed youth is down 60 per cent on the Cain-Kirner years.

Victoria's credit rating is on the improve. Other members have outlined the improvements achieved in the short-term credit rating and Victoria's prospects in the long term. I am confident, as are the Treasurer and all government members, that Victoria's credit rating will indeed be restored to its A A A status in a short time. That will be a direct result of the actions taken by the government to trim expenditure, fat and waste in the system and commit spending to essential projects instead of squandering money and, more importantly, borrowing money for recurrent expenditure.

The 30 per cent reduction in state debt for this year is a tribute to our Treasurer. The debt reduction program will continue. That detail is outlined in the Treasurer's statement. The health budget is an important budget and there has been a great deal of discussion in the community about it; over the term of the government the opposition has tried to suggest that essential services have been cut. The facts are that since the election of the Kennett government a significantly larger number of patients have been processed through the hospital system. That throughput has been achieved at a lower cost per patient than in the past. The most significant figure is that which relates to the number of people waiting for urgent surgery. In October 1992, 924 patients were waiting for more than 30 days for urgent surgery; by December last year, only three patients were in that situation. So the issue of treatment in those urgent surgery situations has been addressed and the significant benefits that flow to both the patients and the families of those patients are clear to all.

The education program continues to be expanded. Mr Bowden went into some detail on the education budget; but I will just refer to the Industry Commission report that found that 48 per cent of Victoria's school leavers went on to tertiary education, which puts Victoria third among the Australian states, compared with the position it held in 1991-92, which was fifth. That is a significant

achievement for the former Minister for Education, Don Hayward, and that good work is continued by the new minister, Mr Phil Gude.

There has been a reduction in retention rates in some areas. That can be explained quite easily by the number of job opportunities there are now for youth. In the late 1980s and early 1990s those job opportunities were not available, so students stayed on at school, which was the practical and sensible option for them. But now that there are job opportunities, the advice I receive from my local schools is that the kids are taking up those job and training opportunities that are available in industry, moving on and creating careers - which is what they should be doing. In my view it is not appropriate or desirable for all students to aspire to tertiary education; indeed, a significant number of us would choose not to go through tertiary education but to pick up a technical trade or some other form of formal qualification. That is an important point that needs to be made and borne in mind when we are debating the numbers in the school system.

The budget this year provides for an additional \$69 million for health and \$20 million over four years for the Hospital in the Home program, which will enable a significant number of elderly people to remain at home while receiving health care. That is a desirable outcome for those patients. Money is being allocated to upgrade the ambulance services, which will be welcomed by each and every one of us.

An amount of \$32 million will be provided over four years to increase care for adolescent mental health programs and aim to reduce the level of youth suicide. The drug debate in Parliament last Friday and the Penington report highlighted the acknowledgment by all members of the need for more funding for youth health care and funding to look at youth suicide and the factors that cause our youth to be disturbed.

The drug-free entertainment program is also another program to be welcomed. The committee that will implement that program will be chaired by Kim Wells, the honourable member for Wantirna. I congratulate him on that appointment, and suggest that he is an excellent appointment for that position; he relates very well to youth and has a total commitment to making that program work. I invite all honourable members to assist that program in its implementation.

I will now turn to a number of local issues. I welcome the funding that has been provided in this statement for the undergrounding and upgrading of the Boronia rail crossing. It has been consistently rated by the RACV as one of the worst intersections and worst bottlenecks in the state for something in the order of 10 to 15 years, and the government is to be congratulated for now providing the funds for this particular program.

A number of other road programs in the outer-east are also overdue. The funding for those programs is most welcome. Prior to the election the previous Minister for Roads and Ports, the Honourable Bill Baxter, announced the funding for the upgrade of the Boronia Road. He also provided \$2.4 million for the upgrade of Stud Road between Wantirna and Rowville, to overcome the bottlenecks that has occurred there for many years; the funding for that upgrade is most welcome.

There is an allocation for stage 3 of the Rowville secondary college of \$1.8 million. Members who are aware of that rapidly growing suburb will understand the urgent need for funding for that particular school. It has about 1500 students at this stage, and is growing. It is desperately needed funding, so it is welcomed.

An additional \$440 000 has also been allocated to the Scoresby Secondary College which was built about 20 years ago but which was neglected by the previous Labor government. There was no maintenance, the plumbing system had broken down and the rooms were leaking, which is an indication of the lack of commitment by the Labor government to maintaining the infrastructure in the outer-eastern suburbs.

During the term of Labor there was an assumption on the part of the Labor Party that the eastern suburbs did not require infrastructure, did not require services, and did not require resourcing. That has now been addressed.

The electorate understood that Labor ignored the eastern suburbs. When I was elected to Boronia Province in 1988 a swing of 1500 votes was required for me to win the seat I won with a margin of 2400 and I was the only Liberal in that outer-eastern area.

At the last election the margin was just under 25 000 votes and in the intervening period I have seen Steve Crabb, Neil Pope, John Harrowfield, Kay Setches and Carolyn Hirsh, all former members in another place, go into retirement, and I have seen

Mrs McLean do a very rapid switch to find a safer seal. The outer east of Melbourne now does not have a single Labor member - it is solid Liberal territory.

The government will continue to service and care for those electorates by providing them with resources and infrastructure into the future, and so will consolidate its position even further. Currently there is not even a Labor member representing the area at the federal level and the federal seats of Aston and La Trobe are now very securely held by the Liberal camp.

I turn briefly to the subject of small business, the engine room of the Victorian economy. There are about 210 000 small businesses in Victoria, which make up 95 or 96 per cent of the enterprises in the state. Over the past two years we have witnessed the establishment of 10 000 small businesses and it is estimated those businesses have created around 25 000 jobs. As the government addresses the unemployment problem it will continue to look at the small business sector to provide employment opportunities.

It is generally acknowledged that larger corporations and big businesses maintain employment but do not create new job opportunities. Small businesses in Victoria generate about 45 per cent of the total private sector production and make a significant contribution to the state. Labor ignored small business and small business operators deserted Victoria to go to other states. Small businesses are now coming back to take advantage of Victoria's more competitive energy prices and labour markets, and better quality infrastructure.

Another significant aspect of small business is its confidence level. Small business operators are now more confident about the future than they were 12 months ago and that confidence continues to grow. A significant number of small business operators are now saying they are considering employing additional staff. Businesses wanting to take on additional employees will be ably assisted by the initiative of the federal government under its new federal industrial legislation of allowing the introduction of employment contracts, so fostering a better relationship between employers and employees.

Victorians have witnessed the restructuring of the state's workers compensation system and premiums are now on the way down. The surcharge has been removed and the scheme is again fully funded, a

most welcome outcome. Under Labor the scheme's debts were blowing out - it had a massive debt and no one knew where it would end. If it had been allowed to continue it would have destroyed industry in Victoria.

Since the government came to power there has been a significant reduction in the level of business regulation in the state. It is appropriate to put on record the excellent job done by the former Minister for Small Business, the Honourable Vin Heffernan. The former minister did an excellent job in reducing the amount of business regulation in Victoria, which was a personal mission of his. He is to be congratulated on his achievements. I am sure the current Minister for Small Business will continue his good work.

Since the government came to power we have seen the reform of local government, and that is also providing significant benefits to small business. Rates generally have been reduced by some \$264 million and reductions in rates for small business have averaged around 20 per cent, representing a significant reduction in the weekly and annual overheads of such businesses.

As I have already indicated, the state deficit levy has been removed, the government has reduced stamp duty on securities and has reduced its reliance on land tax. One of the most significant changes has been the removal of stamp duty on business borrowings, which will provide more competition and enable businesses to more adequately shop around for the best financial deal.

The autumn economic statement continues the government's long-term vision for Victoria by providing security and a quality of life that allows for constant improvement, economic prosperity and wellbeing for the state. The statement is fiscally responsible and provides us with a very solid foundation for the future.

Hon. C. A. FURLETI (Templestowe) - Having spent most of my life involved in small business in one way or another I am grateful for the opportunity of speaking on this bill. In particular, I am grateful to be able to speak on the benefits the bill contains so far as they affect small business in Victoria, which benefits have been achieved through the government's initiatives and the measures it has taken. The measures contained in the Treasurer's autumn economic statement will propel the impact of the initiatives the government has implemented

over the past four years literally into the next millennium.

Victoria enjoys the productivity of more than 210 000 small businesses, which represent some 96 per cent of all Victorian enterprises. Small business employs more than half the private sector work force of some 750 000 and is therefore a significant sector which one could expect to be a springboard for economic development.

The first term of the Kennett government saw the implementation of measures which in some instances were unpalatable. However, the government inherited from its predecessors a deficit of actual and unfunded liabilities in excess of \$60 billion, and one could not help but draw a comparison between the way the former Labor government conducted its affairs in the heady 1980s and the way many Victorians were enticed to follow suit. Many Victorians overspent, borrowed to fund their overspending and purported to live only for the day on the tick, leaving the obligation of repayment to future generations without concern for the catastrophe that had to follow. It was regrettable that many of the Victorians who made that drastic error in judgment lost their livelihoods, their homes, their families and, in some instances, their lives.

Our predecessors pledged the assets of this state in such a fashion and to such an extent that drastic measures were essential to prevent the dramatic slide into oblivion that could easily have transpired. Just as many Victorians learnt the salutary lesson of fiscal control, Victorians also sent a loud and clear message to their representatives by giving the Liberal Party an election victory of unexpected magnitude in 1992. The government's conduct and administration was approved and reaffirmed in the further mandate given in 1996.

It is not the government alone that deserves credit for the turnaround. The government could not have done it if all Victorians had not joined in recognising and accepting the sacrifices required to achieve that result, thereby permitting the government in its second term to loosen the reins and return a dividend to all Victorians for their investment and confidence in it. As the Treasurer said in his autumn economic statement, it has been a partnership. The citizens of Victoria accepted the challenge presented to them by the government and the government has delivered a 6 per cent rise in work productivity which, in turn, has contributed to a 5 per cent rise in real earnings.

Victorian exports have increased by 33.3 per cent during the same period. Melbourne's inflation rate was the lowest in Australia at 2.9 per cent to March 1996, which is considerably better than the national average. Major costs for small business are represented in labour and accommodation expenses. The early labour market initiatives of the Kennett government were stifled. However, the government looks forward to working in tandem with the Howard federal government with a view to implementing flexibility in the workplace, which was a major part of the government's initial program and which will enable employees and employers to make their own arrangements without interference from the monopoly and restrictions currently imposed on both parties by the union movement.

The initiatives introduced in the Treasurer's autumn economic statement will have an impact on numerous areas. They will assist and promote small business not only directly but also indirectly. Direct benefits will include the estimated \$10 million a year that will be saved by small business as a result of the abolition of stamp duty on the refinancing of business loans. It was an initiative accurately perceived before the commencement of the current interest rate war between the banks. The current competition should flow over from the housing loan sector to the business loan sector and it should result in many more small businesses taking advantage of the government's initiative to assist them to take advantage of the next surge in development in this state that will result from the degree of confidence currently being experienced here.

Further direct benefits for small business will arise from the abolition of fees for the registration of business names and Workcover initiatives, which have resulted in a reduction of average premiums at 1991-92 levels of 3.2 per cent of payroll costs to a mere 2 per cent of payroll costs, a reduction of more than 40 per cent, which has translated into savings of \$600 million per annum. The Auditor-General in his report tabled earlier this month said that the proposed maximisation of competition in this area and the current self-funding status of Workcover will maintain hard-earned benefits and further improve them by appropriate reductions in premiums while maintaining protection for genuinely deserving workers through privatisation.

Victorian business now pays the lowest Workcover premiums in Australia, which in itself is a significant achievement. But that achievement pales in comparison with the most difficult of

achievements - given the ports that developed under the former Labor government - namely, the change in workplace culture and the speed with which injured workers resume their positions in the workforce.

A major component of accommodation costs for small business are property outgoing and services costs. Local government reforms introduced by the government have not only rationalised the structure of local councils but also, with compulsory competitive tendering and the like, it has resulted in a \$323 million saving in operating expenditure for 1995-96. As a result rate reductions in the order of 20 per cent throughout Victoria have translated into substantial savings for small business. The Minister for Planning and Local Government has promised rate increases for the coming two years will be capped to acceptable minimal levels.

Government policy on competition where possible has led to better delivery of the services of public utilities at a lower cost. A 16 per cent reduction in the real price of electricity since 1992 and the freeze on gas and water charges has led to savings not only for every Victorian business but also for every Victorian household.

The abolition of the state deficit levy, which proved to be an adequate and appropriate imposition to vigorously attack the debt inherited from the Labor government in 1992, has clearly contributed to the reduction in overhead costs, particularly the level of inflation in this state. Furthermore, the reduction in securities transaction tax by 50 per cent and the minimising of the state's reliance on land tax has further tempered the impact of government imposts on small business.

As I indicated, those issues impacted directly on the bottom line of small business, but the Treasurer's autumn economic statement introduced many of the policies foreshadowed in the lead-up to the election that will have considerable indirect beneficial consequences for small business in Victoria, and not the least of these is the reform of our ports. The sale and privatisation of the ports of Portland and Geelong has led to increased competition and an almost immediate reduction in costs not only in ports but also generally because all port facilities are obliged to compete. Those significant benefits have been addressed specifically in this chamber recently by the Minister for Roads and Ports.

The injection of \$1 billion in capital works on major projects represents 1.25 per cent of gross state

product. The work, which is to commence in the current year, is set out in the autumn economic statement. It will have a massive impact on the Victorian small business community.

The aggressive marketing of Melbourne specifically and Victoria generally as tourist venues and the investment attraction programs are initiatives and measures that are significant not only for themselves and the benefits they will bring to the tourism and hospitality industries but also in a broader sense because the activity generated by those initiatives will flow on to other business sectors.

The commitment by the Victorian government to recouping our AAA credit rating has more significance than appears on its face. A state credit rating is not purely an internal matter; at the end of the day it is one of the principal elements by which a state or country is classified in the global community. To regain the level of our former rating constitutes the re-acquisition of a real asset in terms of international kudos and confirmation of Victoria as a reliable source of raw materials, manufactured products, services and technologies. It reaffirms to the rest of the world Victoria's position as a responsible trading partner which is administered by a government with a serious approach to responsible fiscal management.

The government has been given a mandate by Victorians to proceed with its announced policies and it need only establish the environment and set the pace for business development. Our partners, the Victorian business community, will do the rest and will do it well! I suggest the future considerations by the government should include the continued monitoring of the impact of land tax on business enterprises; increased competition at home, which will make us more competitive abroad; reduced cost of compliance with regulation; simplification and strong reform of environmental planning and business regulations; and the relaxing of business licensing systems, which will augur well for the future of Victoria.

Further progressive activity in Victoria in those spheres will not only be attractive to small business in other states but will also attract business from other parts of the world. It is a trend that has already commenced with the recent establishment of major multinational corporations including Ford, Amcor and Olivetti.

I shall address other areas with which I have an affinity. I refer, firstly, to the commitment of

\$4 million to the teaching of languages other than English in bilingual schools. Secondly, there is the fulfilment of the government's prelection commitment of \$25 million to the community carer package. We recognise in the former initiative the need to not only retain our multicultural communities but also to provide for cross-cultural training, which would be simplified by the availability of facilities and encouragement to learn foreign languages. During a recent discussion with an Australian diplomat located in Brussels, the home of the European Parliament, he explained to me how his 15 and 13-year-old children had, within three years of arriving in Belgium, learnt to speak Dutch, German and French fluently. With their natural English language those languages increased enormously their future prospects for employment and advancement.

The significance of multilingual confidence is obvious if we are to improve our position on the ever-diminishing globe. I applaud the recognition of the effort that is undertaken by family members who remain at home and care for their elderly and disabled family members, a recognition that is long overdue. Finally, I acknowledge and express gratitude for the commitment of expenditure to initiatives in my electorate. The Northern Metropolitan Institute of TAFE training centre at its Heidelberg campus is to receive an injection of \$3.5 million for capital works.

The substantial roadworks to be conducted in my electorate as part of the infrastructure expenditure include the Bell Street-Pascoe Vale Road to Bulleen Road construction of 17 kilometres of road at a cost of \$1.7 million; the Manningham Road-Elgar Road extension from Bulleen Road to Burwood Highway at a cost of \$1 million; and the much-needed Williamsons Road works from George Street to Foote Street at a cost of \$4.56 million.

The above commitment represents an expenditure of almost \$11 million of the proposed expenditure of \$287 million in new spending on capital works as part of the government's electoral policies in Templestowe Province. Accordingly, I support the bill and thank honourable members for their attention and courtesy.

Debate adjourned on motion of
Hon. M. T. LUCKINS (Waverley).

Debate adjourned until later this day.

STATE TAXATION (OMNIBUS AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

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

ACCIDENT COMPENSATION (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

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

Second reading

Hon. R. M. HALLAM (Minister for Finance) - I move:

That this bill be now read a second time.

The major reform of Victoria's workers compensation system, beginning in December 1992, has resulted in a dramatic improvement in performance. That improvement is exemplified by the elimination of a \$2100 million unfunded liability, reduced incidence of claims, improved return-to-work rates and higher benefits for injured workers, and an annual premium saving to Victorian employers of about \$500 million.

Victoria, once a workers compensation basket case under Labor, is now recognised as having Australia's best system - the Workcover system established by this government. The Workcover scheme is operating successfully but there are certain practices developing which, if left unchecked, could harm the integrity of the scheme. There is also room for improvement of the scheme in a number of more technical areas.

The bill has four primary aims: first, to address the inappropriate use of legal processes which are being used to generate substantial lump sum maim transaction costs, and also to reduce abuse of Workcover by some allied health service providers and by some employers who are not complying with provisions in the act; second, to alter the basis of calculating the period of a worker's entitlement to long-term weekly payments so as not to

ACCIDENT COMPENSATION (AMENDMENT) BILL

386

COUNCIL

Wednesday, 5 June 1996

disadvantage incapacitated workers that return to work; third, to provide workers compensation coverage for DEETYA trainees and confer the protection of the act on both trainees and their host employers; and fourth, to implement existing government commitments in a number of areas.

Finally, the bill makes a number of technical amendments to the Workcover legislation.

Prevention of legal abuse and reduction of maim payments transactions costs

There are increasing delivery costs and backlogs at the medical panels and County Court associated with claims for lump sum compensation for permanent impairment under the table of maims. This has occurred as common-law work for lawyers has substantially dried up, with the table of maims now becoming their focus of activity. It is also instructive that New South Wales has recently experienced a blow-out in table of maims payments as litigation has significantly increased in this area.

For every \$1 of compensation paid in this area there is an additional 60 cents paid in transaction costs (mainly legal costs) through the use of legal and other proc associated with the settlement of the claim through the courts. In most cases these costs are incurred without the case ever actually being heard in the courts.

In the six-month period from March to August 1995, 59 per cent of County Court writs were resolved for amounts actually within the Magistrates Court jurisdictional limit of \$25 000 and should properly have been dealt with in that jurisdiction. That claims are processed through a higher court means added costs and delays - this elevation in jurisdiction is, very often, simply a device to attract higher legal fees. The average cost of a case at the Magistrates Court is approximately \$3500 compared with \$7000 at the County Court. In 1995, over 1600 Workcover matters were lodged in the Magistrates Court and over 2300 Workcover cases were resolved. At the Melbourne County Court, over 2400 Workcover matters were lodged and only approximately 880 matters were resolved. It is very clear that most matters currently before the County Court may be reasonably dealt with in the Magistrates Court - with less expense, with less delay, and in the interests of injured workers.

The bill provides new provisions relating to claims for lump sum compensation under sections 98

and/or 98A of the Accident Compensation Act 1985, which will:

strengthen existing provisions by providing for mandatory exchange of final medical information between parties at the claim lodgment and initial decision stages;

strengthen the role of conciliation officers in resolving disputes before allowing access to courts. Disputes must be referred for conciliation, and court proceedings can commence only after the conciliation officer issues a certificate certifying that all reasonable steps have been taken by the worker to resolve the dispute;

maintain the discretion of conciliation officers to refer medical questions to medical panels, but repeal the existing compulsory referral of these claims to the medical panels by workers prior to court access;

require that, if conciliation does not result in the resolution of the claim, the insurer must make a final offer (consistent with any medical panels opinion). If the worker then proceeds to court, he or she must better that offer to be entitled to the payment of costs and avoid liability for the defendant's costs;

empower the minister to issue directions governing the procedures for the resolution of disputes in relation to claims for lump sum compensation which are binding on all parties and their representatives; and

increase the jurisdictional limits of the Magistrates Court both in relation to lump sum compensation (from \$25 000 to \$40 000) and weekly payments (from 52 to 104 weeks arrears of payments) to facilitate earlier, lower cost outcomes.

Allied health services abuse

Hearing aid providers

There has been an increasing incidence in recent years of substandard or inappropriate hearing aids being supplied and of aids being fitted by poorly skilled and untrained persons, mainly as a result of the activities of a small number of entrepreneurial firms that have cultivated a practice of exploiting workers in the pursuit of Workcover claims for loss of hearing. Apart from the inherent undesirability of

these practices they can, in some circumstances, actually result in further hearing loss or injury.

To address these problems, the bill introduces a provision which requires that, in order for the provision, repair, adjustment or replacement of a hearing aid to be compensable under the act, both the person or class of persons who provide the service and the type of aid must be approved by the Victorian Workcover authority.

Hearing loss assessors

As a further measure to deal with problems associated with claims for lump sum compensation for loss of hearing, the bill will provide a more stringent framework for the approval of persons who provide conclusive determinations of diminution of hearing for the purposes of these claims.

Health service providers

The bill introduces an amendment to the Accident Compensation Act 1985 which will require that among the matters to be considered when determining the reasonable costs of medical and like services are any guidelines issued by the Victorian Workcover Authority in respect of the relevant service or provision.

Strengthening employer compliance

The current provisions require strengthening to ensure employer compliance. Accordingly, the bill will:

- strengthen the capacity to enforce employers' existing obligations to provide pre-injury or suitable employment to injured workers by instituting a procedural framework within which enforcement of the relevant provision is to operate, including the imposition of a time limit within which an employer is able to satisfy the Victorian Workcover Authority that it was not possible to offer such employment and thereby escape the operation of the provision;

- ensure that directors and principal officers can be held liable for offences committed by a body corporate where it is proved that the offence was committed with the consent or connivance of the director or officer, or that the commission of the offence was attributable to any wilful neglect of the director or officer. This amendment would also apply to offences committed by, for example,

service providers which were bodies corporate; and

extend prosecution time limits for certain employer offences from one year to three years in line with other provisions of the act. This extension is warranted since, in many of these cases, the circumstances giving rise to the prosecution come to light only after the expiry of the existing time limit or too late to allow proper investigation before the expiry of that limit.

104-week incapacity limit

Section 93B(3) of the current legislation provides that a worker's entitlement to weekly compensation ceases after the worker has been incapacitated for 104 weeks unless the worker has a serious injury or is totally and permanently incapacitated, in which case the entitlement continues in accordance with the act to retirement age. This basis of calculating a worker's long-term entitlement to weekly payments is perceived by some as a disincentive for workers to return to work, particularly on modified or alternative duties.

Facilitating an early and effective return to work for injured workers is one of the primary goals of the Workcover scheme. It is important that any disincentives or perceived disincentives for workers to return to work as soon as practicable after the injury be removed.

Accordingly, the bill now provides that a worker's entitlement to weekly payments under that section ceases after the expiry of an aggregate of 104 weeks, whether consecutive or not, in respect of which a weekly payment has been paid or is payable to the worker, unless the worker has a serious injury or is totally and permanently incapacitated. This will remove any perceived disincentive for partially incapacitated workers to return to work on alternative duties during the rehabilitation process.

Coverage for DEE' IYA trainees

There has been a proliferation of commonwealth training programs for the long-term unemployed which involve both workplace-based training with a host employer and off-site training. The status of these trainees as workers while they are undertaking the workplace-based training is uncertain. The host employers are currently at risk of unrestricted common-law proceedings if the trainees are not workers, and many are simply not prepared to run that risk.

ACCIDENT COMPENSATION (AMENDMENT) BILL

388

COUNCIL

Wednesday, 5 June 1996

The bill contains a provision which will empower the Governor in Council to make an order which will have the effect of deeming participants in declared training programs to be workers for the purposes of the WorkCover scheme. For the purposes of the WorkCover legislation the provision deems such workers to be employed by the persons who provide the workplace-based training.

The provision also provides for the order to deem a class of payments specified in the order to be remuneration paid or payable in respect of the persons deemed to be workers for the purposes of the Workcover legislation. The commonwealth government has agreed to fund the insurance costs for these trainees at the industry rate for the period of the program.

Government commitments

The bill also implements previous government commitments to:

allow limited access by a worker to the contribution component of his or her rolled-over superannuation lump sum for the purposes of approved capital expenditure without affecting the worker's weekly payments;

mirror recent changes to the Transport Accident Act by extending the medical and like compensation payable under the act to include in the case of deaths the payment of the reasonable costs - not exceeding \$1530, the current TAC equivalent - of family counselling provided to family members of the deceased worker by a medical practitioner or registered psychologist. In addition, the bill extends this proposal to cover the family members of workers who have suffered prescribed injuries; and

amend the secrecy provisions of the Accident Compensation Act to permit the release of information to the Commissioner of State Revenue.

Technical amendments

The bill also makes a number of technical amendments to both the Accident Compensation Act 1985 and the Accident Compensation (WorkCover Insurance) Act 1993. The most important of these involve the insertion of provisions which are intended to give full effect to the government's original intentions in relation to

certain aspects of the common-law provisions of the Accident Compensation Act 1985.

To this end, clause 32 of the bill amends section 135A of that act so as to make it clear that, except as provided in the amended section, a worker must not commence common-law proceedings to which section 135A applies without first obtaining a determination of the degree of his or her impairment for the purposes of that section by the authority, authorised insurer or self-insurer and, if required, complying with the preliminary procedures outlined in the section.

Decisions by the Supreme Court and, more recently, the Court of Appeal have held that the existing provisions of section 135A do not achieve the government's original intentions and the amendments are intended to ensure that these are achieved. The amendments will apply in respect of all proceedings commenced on and after the date of their commencement, which will be the date of royal assent to the bill.

In addition, clause 33 of the bill amends section 135A so as to make it clear that a decision by the authority, authorised insurer or self-insurer that a worker has a serious injury for the purposes of section 93B of the act - relating to the worker's entitlement to weekly payments - is not to be taken to be a determination of the worker's degree of impairment for the purposes of section 135A unless the decision specifically states that it is to be taken to be a determination for those purposes.

It was never the government's intention that a decision that a worker has a serious injury for the purposes of section 93B would automatically be taken to be a determination of the worker's degree of impairment for the purposes of section 135A. Nevertheless the Court of Appeal has recently held that to be the case. This means an assessment made for a different purpose, and often before the relevant injury has stabilised, will give the relevant worker access to common-law remedies irrespective of the level of permanent impairment resulting from the injury. For these reasons the government has decided to make these amendments retrospective to 1 December 1992, excepting only proceedings commenced and determined before the date of the second reading of the bill.

The amendments made by both of these clauses necessitate amendments to section 63 of the Accident Compensation (WorkCover) Act 1992 and to the Constitution Act 1975. However, as these

involve direct amendments to the Constitution Act 1975, a statement for the purposes of section 85(5) of that act is not required.

Other important technical amendments are:

clarification of the types of pensions the receipt of which will affect a worker's entitlement to weekly payments;

the imposition of an obligation upon workers and employers to give the compensation payer certain information relating to any pension or lump sum amount which may affect a worker's entitlement to weekly payments;

the introduction of a requirement that if a direction of a conciliation officer is revoked by a court an order for costs must be made in favour of the worker;

the introduction of measures intended to ensure that if in any County Court proceedings under the Accident Compensation Act 1985 an outcome is achieved which could have been achieved in the Magistrates Court any party-party costs payable to the worker must be at the relevant Magistrates Court scales;

the extension of an existing power under warrant issued by a magistrate to enter and search premises, take possession of records and other documents and retain those records and other documents for certain purposes, which is currently able to be used only for the purposes of premium, to permit its use for the purposes of determining whether any of the provisions of the Workcover legislation are being contravened; and

amendments which improve the protection afforded the convenor and members of medical panels, including extending to them in the performance of their duties the same protection which is afforded to a Supreme Court judge.

Conclusion

Victoria now has the lowest cost fully funded workers compensation system in Australia through the provision of safer workplaces and better return-to-work and compensation rates for those genuinely unable to work as a result of a workplace injury.

We will not rest, however, until we are among the world's best, and the government will continue its

reform agenda and remain ever vigilant to achieve this objective. Through our vigilance and commitment to continuous improvement we will ensure that Victoria's workers compensation scheme is able to meet the real needs of employers and workers and that it is not subject to attack from those who would abuse the system for their own gain.

I commend the bill to the house.

Debate adjourned on motion of
Hon. T. C. THEOPHANOUS Qika Jika).

Debate adjourned until next day.

APPROPRIATION (INTERIM 1996/97) BILL

Second reading

Debate resumed from earlier this day; motion of
Hon. R. M. HALLAM (Minister for Finance).

Hon. M. T. LUCKINS (Waverley) - *T h i s* government's overriding commitment to making Victoria a better place to live and work is amply demonstrated in the autumn economic statement brought down by the Honourable Alan Stockdale, the Treasurer of Victoria, earlier this month.

Over the past three and a half years Premier Kennett and his team have restored economic stability to this state. They have created an environment for business to excel which has improved employment opportunities. On behalf of all Victorians they have invested in an infrastructure which was neglected by our predecessors for longer than a decade. Most importantly, sensible and responsible policies were established to rein in the debt inherited after years of Labor mismanagement. My wish to have my say about what Labor did to Victoria was one of the factors that motivated me to stand for election to this place.

I have spent half my life under state and federal Labor governments. I watched as businesses were forced to close their doors and retrench thousands of people. I witnessed the result of devastating unemployment in my electorate. It had a direct impact on the local economy and snowballed to affect local retailers and manufacturers. This led to further job losses. My contemporaries mourned the fact that they did not have a chance to gain independence or self-sufficiency because there were no jobs. Young Victorians bore the brunt of Labor.

The Cain and Limer governments mortgaged the future with little regard for how the debt would be repaid.

In 1992 debt as a percentage of gross domestic product was 30.8 per cent. A large percentage was to pay for current consumption that Labor had to borrow to save the state from bankruptcy. Those borrowings were not used for the provision of infrastructure that would benefit the community as a whole. In addition, areas like health, transport and education were neglected. Victorians voted for the coalition in 1992 because they were sick and tired of suffering the results of Labor mortgaging the family jewels to pay for the social and service obligations of government. Future generations are responsible for the debt Labor accumulated in the late 1980s and early 1990s. Labor tried to play down the extent of Victoria's economic woes and it still tries to run away from the fact that Labor was derelict in its duty to Victorians.

However, the community has not forgotten. I am proud to be one of four members who on 30 March won seats from Labor. The people of Waverley Province saw through the lies and endorsed the direction of the Kennett government.

Of the \$13 billion debt accumulated in the 10 years to 1994 almost half - \$6.4 billion - was due to current account deficits. If a business were run the same way Victoria was run by Labor it would be bankrupt and its shareholders would be calling for retribution. The people gave the coalition an historic mandate to clean up the Labor mess.

In 1992 Victoria's credit rating was down to A1 from AAA, which resulted in millions of dollars in additional interest. That is what this government inherited, and it is still paying the price and mopping up the mess. Members on this side of the house have not forgotten the suffering inflicted on Victoria under the Labor regime. The election result on 30 March demonstrated that the people of Victoria have not forgotten either.

The ratio of public sector debt to gross state product is testament to this government's commitment to debt reduction. Under Labor in 1992 it stood at 30.8 per cent but by 1994-95 it was reduced to 27.2 per cent. It was at 17.9 per cent in 1995-96 and it is estimated that it will be further reduced to 16.5 per cent this financial year. We hope that by the turn of the century Treasury estimates will come to fruition and that the ratio of public sector debt to GSP will be down to 12.5 per cent - a level

consistent with the expectations of rating agencies. That will enable agencies such as Moody's Investors Services and Standard and Poor's to finally restore Victoria's AAA rating, which will save my generation millions of dollars in interest and service costs.

The first term of the Kennett government resulted in a sustainable current account surplus of more than \$2300 million, and that is a great achievement. The Treasurer predicts that by the turn of the century an overall budget surplus of \$650 million will be achieved through lower interest costs following the application of \$4.6 billion from electricity privatisations. The sale of the six companies has reduced state debt by \$10 billion so far - down from \$32.5 billion to \$22.3 billion, and that is a substantial amount.

The budget is more than \$200 million better off through interest savings exceeding dividends lost. That enables the government to invest in the future of the state. Under Agenda 21, which is about civic development, more than \$1 billion is being put into the regeneration of Melbourne's infrastructure. A new \$250 million state museum will add to our heritage, while \$130 million has been allocated for the exhibition centre on the banks of the Yarra. It has been successfully launched and is booked many years in advance. It is a great asset to Victoria.

The City Circle tram and the restoration of the old Treasury building and old Customs House will contribute to our heritage. I am pleased that the government is looking to the future and protecting our assets. I welcome the \$80 million allocation for renovations to Parliament House. I am pleased that Mr Baxter is considering the establishment of child-care facilities in the new Parliament House which, I hope, will encourage more women with young families to enter Parliament. I am hopeful that baby change rooms will be provided so that one does not have to use the red carpet!

The government has increased competitiveness in the Victorian economy. I am pleased with the major investment in infrastructure, including the \$1.7 billion City Link project which has had a great impact on my electorate. The South Eastern Freeway winds through the middle of my electorate and many constituents rely on it to get to and from work and to transport goods manufactured in the area. The structural reform involved in the privatisation of the electricity industry will deliver real reductions of around 16 per cent to households and 28 per cent to small businesses. Structural reform of the water

industry will help to achieve economies of scale, and a reform of the ports will bring about reductions of at least 20 per cent. Reduced charges will have a great impact on our ability to compete with other states as well as other countries.

The streamlining of small business regulations will help the operation of small business in Victoria. During 1995 there was a 25 per cent reduction in the number of business licences issued and a 14 per cent reduction in the number of new regulations. That removes a lot of the imposts on business. Many business operators tied themselves up in knots and wasted many hours of productivity in filling in ludicrous paperwork. The government is getting rid of unnecessary regulations.

We have introduced the Employee Relations Act and many other measures to enhance the flexibility of the labour market, which has had a positive impact on families, particularly as more women move towards part-time work. Unemployment in Victoria dropped from 12.8 per cent in mid-1993 when we were in the middle of recovering from the recession we had to have to around 8.6 per cent in March, which is a tremendous result. Many thousands of Victorians have benefited from this government's policies, and that enables business to take on more employees. In the March quarter this year total employment in Victoria increased by 2.4 per cent compared with 2.2 per cent in Australia as a whole.

Health services have improved their delivery. In 1995-96 hospitals treated approximately 850 000 patients. In October 1992, 924 patients had to wait at least 30 days for surgery. By December 1995 only three patients were in that situation. That is a tremendous achievement. The government is committed to improving health services over the next four years so that people can receive treatment closer to home. This has many benefits for families, including not having to travel to city hospitals to visit their loved ones, and also for the patients themselves in that they will not be isolated or have to travel long distances for day surgery and so on.

I am also pleased with the \$8 million a year allocation to focus on prevention and early intervention to reduce the rate of suicide in young people suffering from mental illness. That is one of the greatest tragedies in our community and I am pleased the government is addressing it.

I am also pleased the government has made an allocation of \$2 million for 1996-97 to increase

accessibility to immunisation programs for children. The aim is not only to provide mobile facilities so that isolated communities can be serviced but also to encourage parents to have their children immunised by locating the services close at hand. I am also fully supportive of the proposed policy of the federal Minister for Health and Family Services, Dr Michael Wooldridge, to have immunisation available in shopping centres so it is more accessible and encourages more parents to have their children immunised. If we do not immunise our children now, diseases like polio and diphtheria that we thought were eradicated could easily return and have a devastating effect on our community.

The government is also continuing to improve support for families and care for children by providing \$25 million per annum for Victoria's community and family carers working with the elderly, the disabled, and the chronically and mentally ill. This strategy will go a long way towards caring for the carers, who save our community a lot in hospital resources and who want to care for their family members in their own homes.

I am pleased by the establishment of the Office of the Family which will enable the delivery of integrated services to support and strengthen the family unit. Many of the social challenges we face in the 1990s and into the next century are the direct result of dysfunctional families. We see this particularly with young people who, with less supervision and more time on their hands, move towards drugs and, tragically, suicide because quite often the support they need is not available to them.

I note also that the government is increasing the recurrent contribution to kindergartens to \$872 per child at a cost of \$1.6 million a year. I fully endorse that allocation.

In the area of youth affairs, I am pleased the government's election promise of establishing supervised and secure night venues for young people has been included in the autumn economic statement. These facilities will be alcohol and drug free and young people will be entertained in a safe, secure and supervised environment. The government will contribute \$1 million a year for four years to help establish these venues in metropolitan and regional Victoria. When I was growing up I often attended the Blue Light discos, which were similar to the proposed new venues - they were supervised by both parents and members of the police force. It helped the parents to know their children were safe and it helped the young people

because they were in a safe and secure environment, away from the danger of drug pushers, problems relating to travel arrangements and so on. Another initiative in youth affairs is the establishment of a youth hostel, emergency accommodation and support facilities, and an extension of the Victorian Housing and Youth Information Exchange to regional Victoria.

Other allocations that have a direct impact on my electorate of Waverley Province relate to the completion of grade separations on the South Eastern Arterial at Toorak Road, Tooronga Road and Burke Road, and I thank the former Minister for Roads and Ports for improving the situation. This work has already saved a substantial amount of travel time for all commuters along the South Eastern Arterial and, as I said earlier, I look forward to the completion of the City Link project, which will finally turn the car park into a freeway and enable commuters to get to and from the city with ease, in safety and with a decent estimated time of arrival.

An amount of \$1.5 million is being spent on the drive-time project on the South Eastern Arterial, which provides a detailed analysis of when you can expect to be at certain intersections along the way. This is proving extremely helpful for commuters because they are able to see, finally, whether there is a bottleneck on the freeway and take evasive action if necessary rather than getting stuck somewhere, like at Toorak Road, where there are no off-ramps for several kilometres.

Hon. W. R. Baxter - They are very accurate too.

Hon. M. T. LUCKINS - Yes, I have timed them myself. Some \$1.5 million is allocated to upgrade the intersection of Warrigal and North roads. That intersection is quite a bottleneck at present and presents a danger because of the volume of traffic it carries. An additional \$900 000 has been provided to upgrade Warrigal Road from Canterbury Road right through to Mentone - so that also passes through Waverley Province.

I am pleased to endorse the autumn economic statement presented by the Treasurer. I certainly commend it to the house as very good news and a very fair reflection on the fantastic work the government has done in attempting to make Victoria once again a jewel in Australia's crown.

Hon. W. A. N. HARTIGAN (Geelong) - Naturally I support the bill. Previous speakers have dealt in some detail with the elements of the

appropriation. I shall deal with the philosophy that has underpinned the government's economic policy since it was elected. Obviously the government intended to make Victoria as competitive as it could be both nationally and internationally, to improve the level of services it delivers and set Victoria on a sound foundation.

Honourable members interjecting.

Hon. W. A. N. HARTIGAN - Listen to the parrots across the way saying, 'Failed!'. When we set off on this mission in 1992, regrettably, we started behind the eight ball. We were \$2.5 billion in the hole because of Labor's mismanagement in its last year of government. We started with \$32 billion worth of debt, most of which, regrettably, was not supported by any asset or any social value. Nevertheless, the government moved along with an end objective in mind.

But we had to negotiate the rocky shoals of gross mismanagement and dishonesty of a decade of Labor government. For 10 years that government misrepresented its situation to the Australian public, curried favour with the trade union movement through gross overmanning of the public sector and borrowed rather than addressed its responsibilities. It was recognised by every government in Australia - both Labor and conservative - as being possibly the worst government in Australia's history. To be fair, I must say that it received not only national recognition but it was generally spoken of with reverence elsewhere in terms of what you can do in a First World democracy if you put your mind to it! That general view is being held now by members of the Labor Party - not members of the Parliamentary Labor Party - who are of the opinion that we need a clean sweep to start again. Far be it for me to add to this conclusion because I am reasonably happy with the opposition. I think opposition members are perfectly capable of being there for the next 25 years, and I am getting used to them.

Hon. D. A. Nardella interjected.

Hon. W. A. N. HARTIGAN - You may not be here, Mr Nardella. If Steedman has his way you are one of the people to go.

Hon. D. A. Nardella - No, I wasn't in his letter.

Hon. W. A. N. HARTIGAN - Mr Nardella tells me his name is not in the letter, but I don't think we got the third page. I think Steedman left off the third

page. I am sure, Mr Nardella, that if you let him know of your disappointment he will probably manage to bag you as well. Quite frankly, there is nothing personal about it, but I don't think there is much to choose from between any of you. I do not know whether in your position I would feel offended or relieved not to be mentioned.

A n Honourable Member - I'd be relieved!

Hon. W. A. N. HARTIGAN - You are easily relieved. But it is true to say, Mr Theophanous, that you appeared in everybody's list. Nevertheless, it is true that we had an objective in mind which was made all the more difficult by the starting point left to us by the Labor Party, which is now in opposition. It is fair to say that after four years we have made very material progress towards our end objective. We have current income and expenditure in balance; in fact, we are producing a small surplus, ignoring the one-time proceeds of asset sales.

Hon. D. A. Nardella - You had a large surplus in 1993-94.

Hon. W. A. N. HARTIGAN - Yes; that is true. Nothing wrong with you.

Hon. D. A. Nardella interjected.

Hon. W. A. N. HARTIGAN - I remember your first debate in this house, Mr Nardella, when you expressed concern about whether or not you understood perfectly what a deficit or a surplus was. You have made real progress, and I congratulate you on that recognition. I want to point out - -

Hon. T. C. Theophanous - It is not very funny.

Hon. W. A. N. HARTIGAN - I beg your pardon, Mr Theophanous? You also concur he has made real progress? The starting point was not that great, so it would not have been too hard to make progress like 'What is a fraction over nothing?'. I suppose that is an infinite amount of progress. You keep it up, Mr Nardella. In the millennia after this one you may well be up to speed!

Hon. T. C. Theophanous interjected.

Hon. W. A. N. HARTIGAN - I must say, Mr Theophanous, that you have very little to laugh about; in fact, you must have a very short memory. You were the same guy who got up and admitted the points I am making.

Hon. T. C. Theophanous interjected.

Hon. W. A. N. HARTIGAN - You have got plenty to laugh about? There you go. You are not taking your position very seriously, I can tell you that. I suppose the issue that faces us is to continue to reach towards the objectives which were set as a matter of philosophy and in terms of possibility. As the first four years have passed, the government can look back with some confidence and with some satisfaction in its achievements. It has not only managed to restore the state to some level of stability; it has at the same time materially improved the productivity of the public sector and, by a judicious mix of public and private expenditures, managed to substantially improve the quality of services.

For example, I note as I read through the appropriation report the sorts of actions taken in areas like educational infrastructure in my own area - and in areas, incidentally, where we have spent according to priorities. For example, I notice that in the area of Geelong North this government has spent a substantial amount of capital on maintenance and improvements in primary and secondary schools, which had been denied any support from the previous Labor government because it was much too busy bolstering the numbers of its mates in the teacher unions and associated service industries.

It is interesting to hear that every time a question is asked about hospitals it is almost as though it is the Hospital Services Union sitting over there asking the questions of the Minister for Health: 'How many more beds are you going to put in place? How many more people are you going to have working in hospitals?'

That is indicative of the government's attitude compared with that of the opposition. Our attitude on health is to deliver services to those who need health services, not to look after only those who provide services, which is a quite different situation, but one which appears undifferentiated on the part of members of the Labor Party. They are apparently of the opinion that the health system is here to look after the Health Services Union. That is the way they acted when they were in government; there was no cost control and no effort to deliver better quality services with lower costs. Since we came to government we have increased the number of people treated at our hospitals and we have reduced costs in real terms by 25 per cent per capita.

The point about that is not so much what we have achieved, but the basis on which we have approached the idea of a good government. A good government is one that faces up to the prospect of continual improvement in the way it operates. Consequently, over the next four years we expect to deliver the same - -

Hon. T. C. Theophanous - There are 25 000 people on the waiting lists.

Hon. W. A. N. HARTIGAN - Waiting lists for what? Mr Theophanous sat there during 10 years of the Labor government, wasted money, incurred debt for which there were no assets standing behind the debt, and left the state in a disastrous situation. To make matters worse, notwithstanding the demonstrated failure and the agreement of everybody in public finance and public administration of whatever persuasion, it was a government that not only failed on everything it did but failed monumentally.

Honourable members interjecting.

Hon. W. A. N. HARTIGAN - I am always astonished to hear Mr Nardella get up to say things like - -

Honourable members interjecting.

Hon. W. A. N. HARTIGAN - He is trying to talk about a \$12 million problem in the Auditor-General's report. When Mr Theophanous was in government, together with his colleagues, he did not worry about \$1 million; he did not worry about \$1700 million; he did not worry about \$1 billion - they dropped \$30 billion on the ground!

Government Members - Guilty!

Hon. W. A. N. HARTIGAN - Thirty billion dollars over their 10 years in government!

Hon. T. C. Theophanous - Where did you get that from?

Hon. W. A. N. HARTIGAN - That is what you wasted. I know you don't care and that you are disinterested in the figure.

Hon. T. C. Theophanous - Why don't you go back to Ford - -

Honourable members interjecting.

Hon. W. A. N. HARTIGAN - No, I am more needed here.

Honourable members interjecting.

The PRESIDENT - Order! The house cannot possibly proceed unless the proceedings can be recorded by Hansard. The Hansard reporters cannot possibly hear with that stereophonic racket on either side. I ask the house to allow Mr Hartigan to continue his dissertation without assistance.

Hon. W. A. N. HARTIGAN - Mr President, I do not object to the assistance but the fact is that this government is proceeding along the lines which, in terms of public administration, will deliver better quality services at lower costs. The evidence of the past four years is that we have done that very successfully. That demonstrates quite clearly that the prospects for future improvements and the future continuation of this approach will be beneficial. The other thing that is also a clear recognition - -

Hon. T. C. Theophanous - That is enough.

Hon. W. A. N. HARTIGAN - What?

Hon. T. C. Theophanous - Well you have nothing sensible to say.

Hon. W. A. N. HARTIGAN - Mr President, Mr Theophanous is hardly in the position to be able to judge what is sensible and what is not because he has no basis of comprehension. His party has just suffered one of the worst defeats in history, and you might have thought that what Mr Theophanous would have said was, 'Gee, we got beaten in 1992 and in 1996; I wonder if that is because people think we don't know what we are doing?'. But he has concluded that it is just bad luck.

Hon. D. T. Walpole interjected.

Hon. W. A. N. HARTIGAN - And Mr Walpole, you may well be one of the ones who gives Mr Theophanous good reason to believe it was just bad luck. You will make no contribution to the public administration of this state - thank God! It was bad enough to put up with a mob who were in until 1992, let alone to face the prospect that the rump left here might have some say in public administration in this state - highly unlikely!

Hon. T. C. Theophanous - One thing is sure, you won't either.

Hon. W. A. N. HARTIGAN - What's that?

Hon. T. C. Theophanous - He will never make it.

Hon. R. I. Knowles - He already is; more than you would ever hope to.

Hon. W. A. N. HARTIGAN - I am not sure what it is I will never make, but if it is anything Mr Theophanous has in mind, it is not a major problem. The fact that I know for sure is that I am more likely to be in government than you are, Mr Theophanous.

Honourable members interjecting.

Hon. W. A. N. HARTIGAN - And I know, Mr Theophanous, that I plan to be around for a long time. I look around at the age distribution here and I think I can keep some balance, so I will be here for a long while yet.

Hon. T. C. Theophanous - You must be worse than Craigie. They put him in before you.

Hon. W. A. N. HARTIGAN - There isn't any question that Mr Craigie is a superior person to me, or he would not be sitting on the front bench.

Honourable members interjecting.

Hon. W. A. N. HARTIGAN - One of the problems of our party is that we have a surfeit of talent. In the spirit of fairness and in an attempt to make this place a little more meaningful, I have asked the Leader of the Government whether we might not be lent to the opposition to replace the opposition with a dozen from this side to try to add some bite; in fact, we were so confident of that that we thought we might pick the names out of a hat, because it wouldn't make any difference. I am not too concerned about competing with the Labor Party. It is some measure of the talent on the opposition benches that their full-time equivalent is about one, so I think I can cope quite happily.

Hon. T. C. Theophanous interjected.

Hon. W. A. N. HARTIGAN - The Leader of the Opposition is easily pleased, which is probably fortunate. If he were not easily pleased he would be a very unhappy young man. We are moving productively toward the objectives the government set itself to achieve in 1992 and we can feel reasonably satisfied with the progress we have made

so far. Our performance so far augurs well for the future achievement of our objectives of maintaining budget sector investment, providing better quality services at lower cost and using the proceeds of privatisation to reduce public debt, but not at the expense of imposing higher costs or providing lower quality of services.

The government is also important because of its integrity and what its reforms mean for good public administration. Today the Minister for Finance introduced the first financial report on the state's performance based on accrual accounting principles.

Honourable members who listened carefully to the minister would have been aware that the first cut in the paper at depreciation levels suggests Victoria has to find about another \$1.6 billion of current revenue to meet the government's objective of revenue covering expenditure such as depreciation by the end of the current term - that is, for the first time in its history the state will not only recognise the principle that its current revenue should cover its total variable and fixed costs but will actually achieve that objective and put succeeding governments in a position of already having in place money to maintain the state's assets at a level that will be beneficial to the people who use them.

So, because we have applied those rules consistently, I am very satisfied that we will move to become a more competitive state. The importance of being more competitive is that Victoria will attract more investment and provide more real jobs. I think there is clear evidence that in the government's first four years in office the state has been very attractive to private enterprise organisations who want to export. Victorian exports have grown faster than the national average and export performance is the key to achieving long-term stable growth in employment, which must be a major overriding objective of everything we do. We are already demonstrating a capacity to do that.

Public sector infrastructure, both fiscal and intellectual, will provide a further base for expansion and a base on which investors can be confident about opportunities. More importantly, we are taking the opportunities of sound financial management toward a stage where we can reduce the burden of taxation on business to the level where we not only meet but go lower than the levels applying in Queensland and New South Wales and, more importantly, produce investment opportunities comparable to those currently

available in the faster growing Third World economies to our north.

It is true to say that, not only have we demonstrated integrity and a commitment to our objectives in public administration, but in areas such as Workcover, for example, we have substantially reduced the real costs and consequently, in that case, the premiums.

Hon. D. A. Nardella - Yeah, yeah!

Hon. W. A. N. HARTIGAN - Mr Nardella may interject, but the fact is that the premium under Labor failed to cover the unfunded liabilities by something like \$2.2 billion and the figure was climbing at an alarming rate. The reform of that scheme has caused Workcover costs to fall by about \$500 million a year and has been of significant real benefit to investment and employment in this state.

The other major area of success in reform, apart from the government's own administration of the state's finances, has been the great success in local government reform, which so far has had an impact on costs of something in the order of \$240 million.

At every level of activity every action taken by the government during the past four years has materially improved our competitive position and the investment environment and we are now starting to go reap the dividends. The government will press on with its reforms while continuing to provide an attractive environment for investment. The government will continue to enhance employment opportunities and promote higher real incomes. It will continue to be the only government and only political party that can offer such reforms and prospects.

All government members are interested to know what the Labor Party would do if it were to win office. I can assure opposition members that over the next four years the government will reduce taxation and provide more services. What would Labor do in that environment? Labor members would have to say to the electorate, 'You will have to trust us not to do what we did previously', yet everything said by every member of the opposition indicates that that is exactly what they would do.

It will be interesting to see whether the Leader of the Opposition plays the ball rather than the man and decides to debate the issues. Playing the man has been his sole contribution to the debate so far, and I suggest he might play the ball, because he does not

play the man very well. I shall listen with interest to his contribution to the debate on the bill because he comes to it with the baggage of 10 years of failure. I look forward to hearing how he handles it.

It is clear that the government's past performance demonstrates its future capacity. It is clear the government is working to improve the future for our children and grandchildren. In my case, having listened to Mrs Lucidns, I am pleased to say I hope she does go to see Mr Baxter and the other people looking after the expansion of Parliament House to have child-minding and child-care facilities included because I would like to see my grandchildren take advantage of them in the not-too-distant future for our children.

Hon. P. A. KATSAMBANIS (Monash) - It is a pleasure to speak in support of the bill. I congratulate the Treasurer and the coalition government not only on the bill and the wonderful news in the autumn economic statement, but also on the government's great achievement in turning around the state's economic performance over the past three and a half years.

In order to highlight how great an achievement it has been, and to highlight why on 30 March the electorate of Victoria overwhelmingly rejected the Guilty Party that today sits on the opposition benches, I will recite examples of the sad state of affairs that existed in Victoria in October 1992.

Hon. D. A. Nardella interjected.

Hon. P. A. KATSAMBANIS - You should listen to this to remind yourself of the mess you left the state in. In 1992 Victoria had a current account deficit of \$2 billion and a state debt of more than \$33 billion. In 10 years of Labor maladministration we had mortgaged the future of this great state, ourselves and our children to the extent of \$33 billion.

Victoria's credit rating was downgraded from its former A A A status, which costs us an enormous amount in extra interest payments every year. That continues even today. Our unemployment rate was in the double digits and youth unemployment was escalating at an alarming rate. However, to the great credit of the government and the Treasurer in three and a half short years nothing short of an economic miracle has occurred. Honourable members will remember the joke going around interstate and overseas prior to October 1992: what is the capital of Victoria - 2 cents!

In three and a half years under the Kennett coalition government the state has been turned around. Today we have a budget and a current account that are in a sustainable surplus - not the sort of surplus the federal Labor government pretended to achieve but a real sustainable surplus - that will continue through the term of this government and beyond!

We have reduced state debt by 33.3 per cent from \$33 billion to \$22 billion. We will continue to reduce the state debt and it is important we do so because of the situation in the states with which we compete. Queensland has no state debt and by the year 2000 it is projected that New South Wales will have no state debt, either. It is an indictment of the former Labor government that Victoria still has a burden of \$22 billion in state debt. We must focus on that and the government is committed to ensuring that it does not drop the ball. It will continue to deal with state debt so that Victoria's credit rating continues to improve and we can achieve an A A A credit rating by the end of the government's term.

Hon. T. C. Theophanous - Then you can pat yourself on the back!

Hon. P. A. KATSAMBANIS - We will! The public of Victoria patted the government on the back on 30 March when it overwhelmingly rejected the lack of policy and vision of the Labor Party. It was condemned not by its own actions, not by the members in this chamber but by the public of Victoria.

The autumn economic statement continues to deliver real benefits for all Victorians because the government governs for all Victorians. I shall not go through every aspect of the statement because honourable members who have spoken before me have outlined most of its benefits. However, I will highlight the matters that benefit me and my electorate.

Firstly, the economic statement delivers significant tax relief for the people of Victoria with the abolition of stamp duty on the refinancing of business loans. This is a great initiative, which will enable small business to take advantage of the competitive environment in the banking sector at the moment and the lower interest rates. The imposition of stamp duty was a barrier to small business taking advantage of the interest savings, but this initiative will enable Victorian small business to expand to create new job opportunities, especially for our young people who were badly let down during the 10 years of Labor mismanagement of the state.

Stamp duty concessions will be expanded for first home buyers, families with young children and pensioners. People on low incomes will have an opportunity of buying their own stake in Victoria by purchasing their own homes.

The government should be commended for its taxation initiatives. It will continue to return dividends to the people of Victoria who stuck by the government after taking the nasty medicine that was required to correct the mistakes of the former Labor government.

I shall highlight the great achievements in the restructuring of the electricity industry. Privatisation of the electricity industry has resulted in a reduction of state debt by more than \$10 billion. Not only has that meant a continued reduction in interest payments of \$400 million a year but also it provides indefinite savings of millions of dollars every year, money that can be poured back to create job opportunities and real savings for the people of Victoria. The electricity industry has delivered real savings, which have been legislated for, to small businesses and households.

Hon. T. C. Theophanous - What savings?

Hon. P. A. KATSAMBANIS - Real savings, Mr Theophanous, in the electricity tariffs for all Victorians.

Hon. T. C. Theophanous - Where do you live?

Hon. P. A. KATSAMBANIS - Opposition members may scoff, but their attitudes continue to ensure they will stay on the opposition benches for a long time. The people of Victoria acknowledge the savings in the electricity charges which have been legislated for to the year 2000. Beyond 2000 further electricity savings will be achieved when the electricity market moves to full competition. Opposition members should wait and see! That has been proved by the competition in the opening up of the telecommunications market. When Optus entered the market the cost of long-distance telephone calls decreased and the same thing will happen with electricity after the year 2000.

Another initiative outlined in the autumn economic statement was the grant to each library in Victoria for the purchase of CD-ROM facilities and the government's commitment to put every library on-line to the World Wide Web and the Internet, which will ensure that the advantages of technology are available to every single Victorian in his or her

public libraries. This sticks in the craw of the opposition members because they pay lip service to access, equity and equality. When the government takes the initiative to ensure that no Victorian is left behind in the technological revolution they scoff! I commend the government for expanding the opportunity for Victorians to participate in the technological revolution.

I shall touch on some aspects of the economic statement relating to my electorate. Grants have been made in the statement for further child, adolescent and family services in Windsor and also to continue the development of stage 2 of the mental health project at the Alfred Hospital group. Two significant tourist attractions are located within my electorate that are jewels in the Victorian crown - the National Gallery of Victoria and the Victorian Art Centre. Those two wonderful facilities can be enjoyed by all Victorians and all its visitors. They were neglected by the former Labor government when it continued its massive unfunded spending spree, but the government has taken the initiative to ensure those facilities are preserved and available for all Victorians.

In her contribution Ms Luckins touched on the upgrade of Warrigal Road, which is on the border of my electorate of Monash Province and her electorate of Waverley Province, together with the upgrade of the South Eastern Arterial so that it will be a road rather than the car park it has become. The removal of the illogical and insane traffic blocks created by the former Labor government at Toorak Road, Tooronga Road and Burke Road will benefit my electorate because it will link up with the upgrade of Warrigal Road and the City Link project. Roads will become roads again rather than the car parks created by the former Labor government. The developments will be of benefit to everyone in my electorate and hopefully reduce the traffic holdups that Mr Power referred to on a previous occasion.

I refer to one other aspect of the economic statement that is of particular significance to me and my family: the commitment of the government to the Queen Elizabeth Centre for mothers and babies. Early last year my family used the service, which is currently located in cramped conditions in Carlton. It is an excellent service provided to mothers and babies who require additional care and support, but the service was largely neglected in 10 years of Labor administration. The staff of the centre are pleased that the government has the foresight and capacity to make sure money is available for the relocation of the centre to a bigger and better site so

that it can provide service to the families of Victorians for many years to come. It is a major achievement of the government.

In conclusion, I commend the Treasurer and the Minister for Finance on the release today of the trial consolidated financial report of the government of Victoria. It is a major step forward in continuing the economic accountability and performance of the government. It is a first step for this government, the first government in Australia to move towards a full accrual accounting system - one that will ensure that the accounting fiddles that occurred under a previous administration from one year to the next will not occur again because it will take into account depreciation and the total value of assets. It will mean the state is adopting an accounting practice that almost every single business has adopted. It is a significant achievement for the government and will assist all Victorians to have an understanding of the finances of the state just in case, in the years to come, Victoria has the misfortune of having another Labor government.

I congratulate the government and the Treasurer on continuing the economic success story of the past three years. 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 Health) - I move:

That the Council, at its rising, adjourn until Tuesday, 18 June.

Motion agreed to.

Hon. R. I. KNOWLES (Minister for Health) - I move:

That the house do now adjourn.

Hansard: Internet

Hon. PAT POWER (Jika Jika) - Mr President, I seek your assistance regarding a matter I feel is of significant importance to Parliament. Some members may be aware there was a launch in the parliamentary library of Victorian *Hansard* on the Internet. You, Mr President, and your predecessors

have been supportive of actions that make the proceedings of Parliament more accessible to the community. Today's launch was the result of an all-party effort to make Parliament more accessible, not just to the Victorian and Australian communities, but the international community. I wondered if you would be kind enough to give a brief report of the circumstances of the absolutely first-class technology we now have in Parliament to other members who did not have the opportunity of being there today.

Brimbank: youth services

Hon. T. E. EREN (Doutta Galla) - I direct to the attention of the Minister for Health, who represents the Minister for Youth and Community Services in this place, a matter concerning my constituents. I am concerned about the funding cuts to the City of Brimbank youth services. As a result of the funding cuts up to 12 youth programs, including health, youth counselling and employment access, could be axed. The programs are high priority services that need to be continued. If they are not continued many young people in the west could be in strife.

All honourable members acknowledged during the drug debate last Friday the need to deliver services to our youth. You cannot deliver quality services by slashing funding by almost 60 per cent I ask the minister to ask his colleague in the other place to review the decision and allow the youth services programs to continue.

Tertiary education: student fees

Hon. C. J. HOGG (Melbourne North) - The matter I raise is for the attention of the Minister for Health, representing the Minister for Tertiary Education and Training in another place. Today's newspapers carry details of a scheme that will allow students who have not qualified academically to enrol for university courses if they pay full fees. The scheme apparently has the support of two Victorian vice-chancellors.

Without wanting to be elitist I point out that such a scheme contains terrible risks for individual students who may enrol upon payment of up-front fees without the appropriate qualifications and then fail miserably because there are not a great many personal support systems at universities. This type of proposal could put at risk a number of individuals and the integrity of our university courses. Despite the possibility of draconian cuts being imposed upon the higher education sector by

the federal Minister for Employment, Education, Training and Youth Affairs, the proposition is a retrograde step, terribly inequitable and undemocratic.

I ask the minister to speak to his colleague in another place and ask him to reject such a proposition totally in any dealings he has with the tertiary education sector or the federal minister.

Jet skis

Hon. JEAN McLEAN (Melbourne West) - I direct to the Minister for Roads and Ports the tragic death caused by a jet ski at Werribee. Privately owned jet skis have proliferated throughout Port Phillip Bay. I want to ensure that swimmers and other recreational users of Port Phillip Bay are protected from jet skis. Could the minister indicate what laws are in place to protect jet ski drivers, such as ski and driver registration systems or helmets and life jackets? After all, jet skis can travel at 60 kilometres an hour and could be more dangerous than motor bikes because our waterways do not have white lines. Our kids and recreational swimmers want to enjoy themselves without being endangered by jet skis.

I would like to know what is being done to protect the people who use Port Phillip Bay, even if we cannot protect them against the revolting noise and petrol that comes out of the jet skis.

Osteopaths registration board

Hon. D. T. WALPOLE (Melbourne) - I raise a matter for the attention of the Minister for Health. I have had a representation from an osteopath who informs me that currently a review is taking place of the Chiropractors and Osteopaths Act 1978. He makes the point that in 1995 all registered osteopaths in Victoria were polled and the overwhelming outcome of the poll was that they sought to have a separate osteopaths registration board.

It appears that osteopaths do not wish to be controlled by a combined chiropractors and osteopaths board, due to the two professions being in competition with each other, and the osteopaths seek not to be in a position where they are controlled on a professional and educational level by chiropractors. I understand further that osteopaths are prepared to pay a higher registration fee if this would allow them to achieve their own registration board. I ask the Minister for Health to inform the

house if he would approach the review panel regarding the establishment of a separate registration board for osteopaths.

Residential Tenancies Tribunal: delays

Hon. D. A. NARDELLA (Melbourne North) - I raise a matter with the Minister for Small Business representing the Attorney-General in the other place. From the outset I point out that the situation has affected me and that it appears from a number of reactions that it affects quite a few other people.

On 22 February 1996, I went to the Residential Tenancies Tribunal about a case of lost rent from one of my properties. I was seeking restitution. The case was heard and a judgment was given by the tribunal judge. On about 20 April 1996, my agent contacted the tribunal to ascertain what had happened to the order that is necessary to pursue the claim and to carry out the judgment of the Residential Tenancies Tribunal. My agent was informed - -

Hon. M.A. Birrell - You can't raise some personal commercial interest here.

Hon. D. A. NARDELLA - I was going to raise it in a much more general sense.

Hon. R. I. Knowles - Mr President, on a point of order, this will set a dangerous precedent if it remains unchallenged. Standing order 155 provides that:

No member shall be entitled to vote either in the council or in any committee thereof upon any question in which he has a direct pecuniary interest ...

It seems to me this is clearly a matter in which the honourable member has a direct pecuniary interest and therefore it is inappropriate that it be raised.

The PRESIDENT - Order! That provision talks about voting and clearly Mr Nardella is not going to vote, but I think the point made is valid in that members have to be very careful that they do not use the house to prefer their own interests.

I ask Mr Nardella to now generalise the point he is making. If it is a general issue that was before the tribunal that affects others, it is fair enough. If it is a matter affecting only yourself perhaps we ought to have another think about it.

Hon. D. A. NARDELLA - I raise the matter in a general sense, using my case only as an example. I

do not want my specific individual case looked into. What is occurring at the Residential Tenancies Tribunal both for landlords and people who rent is that there are huge delays in dealing with the queries raised in the tribunal; the telephone queries are extensive and they take a long time to resolve

I ask that the matter be raised with the Attorney-General to investigate the long delays at the Residential Tenancies Tribunal, to lessen the wait that arises and to speed up the cases before the tribunal.

Employee Relations Commission: annual report

Hon. T. C. THEOPHANOUS (Oika Jika) - I raise a matter with the Minister for Industry, Science and Technology in the hope that he has now had an opportunity to read the annual report of the Employee Relations Commission. I remind the minister that today he indicated that he had read the report in part, which was interesting. For those members who haven't actually seen the report, you will notice the volume I have in my hand is very thin.

Hon. Bill Forwood - Have you read it all?

Hon. T. C. THEOPHANOUS - Absolutely. Not only is it a thin volume; it consists of only 10 pages; the rest is appendices. I do not think it is asking a lot of the minister to expect him to read a report of the Employee Relations Commission, given that it comes within an area of his responsibility. I direct the minister's attention to one specific part of the report on page 2, in which the commission says:

The powers of the commission following receipt of an application pursuant to section 90 are defined by sections 92, 98 and 99. Section 92 states that the commission must not convene any proceedings with respect to an industrial matter or dispute unless all parties consent to the exercise of the commission's powers, undertake not to engage in any industrial action over the matters in dispute and agree to accept the outcome of the proceedings.

What the commission has brought to the attention of the community and hopefully through this annual report to the attention of the minister - who hasn't read it - is the fact that the commission is finding it difficult to operate within the context of the constraint. The commission goes on to say:

The relatively small number of industrial matters and disputes referred to the commission during the period

of this report (when compared with similar jurisdictions in other states) may reflect, in part, the procedural difficulties faced by parties caused by the interactions of sections 92, 98 and 99 ...

So the members of the commission are saying that basically they have been chopped off at the knees, as it were, and they are \l\able to do the work that they were called upon to do because they have to get the consent of the parties in advance in order to be able to do anything. They have indicated that as a consequence of that only a small number of disputes go before the commission.

They further indicate that this is inconsistent with section 83 of the act:

Section 83 makes it clear that the commission's functions include facilitating the prevention of industrial disputes and the prompt settlement of industrial matters and disputes in a fair manner by agreement, mediation, conciliation and arbitration with the minimum of legal form and technicality.

The commission points out that it has been given an impossible task. Under section 83 it is asked to solve industrial disputes promptly, but under sections 92, 98 and 99 it is \l\able to do so because nothing can come before it unless the parties consent. The commission has asked for consideration to be given to the possibility of streamlining and simplifying those provisions. Rather than giving the flippant answer he gave during question time today - obviously because he had not even looked at the report, let alone read part of it - the minister should take the time to read it and take on board the recommendations of the commission.

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS - You might not care about industrial disputes but a lot of people out there do! I ask the minister to consider the recommendation to simplify and streamline the procedures under the act so that industrial disputes in Victoria can be resolved in a timely fashion.

Responses

Hon. M. A. BIRRELL (Minister for Industry, Science and Technology) - Mr Theophanous's matter, unlike that raised by Mr Nardella, had nothing to do with his commercial personal interests.

Hon. T. C. Theophanous - Che a p shot!

Hon. M. A. BIRRELL - Imagine if we did it! Imagine the moral outrage you in your shrunken form would have given us! It just shows the extraordinary tolerance our side has of the improprieties of your side. Imagine how you would have fulminated if one of our people had said, 'I'm losing money and I would like to raise it in the house'. We tolerate the lack of basic understanding -

Hon. T. C. Theophanous - On a point of order, Mr President, I asked a question about industrial relations and the Employee Relations Commission. I did not ask the minister to answer a question asked of another minister by another member. We all recognise that he does not have much confidence in the Minister for Small Business, but I am sure she is capable of answering the question Mr Nardella asked. I ask you, Mr President, to pull the Minister for Industry, Science and Technology into line and to get him to answer the question that was asked.

The PRESIDENT - Order! On the point of order, the Leader of the Government has made his point and he should respond to the question asked by the Leader of the Opposition.

Hon. M. A. BIRRELL - I am more than happy to do that. It is people like Mr Nardella and Mr Theophanous who are our secret weapons, so I hope the opposition keeps them in their positions and that they keep raising their points as they do. I enjoyed Mr Hartigan's contribution. I thoroughly enjoyed every single sentence as he exposed exactly why you lot are in opposition, Mr Theophanous. At a time when the Labor Party needs leadership and policies, what do we get? Everything Mr Hartigan exposed you as: negative, hateful, backward looking and bereft of any positive ideas. We get it time and again from the opposition. Perhaps Mr Theophanous does not understand what the Labor Party needs to get it out of the hole. We know what Labor needs but we are going to keep it to ourselves, I can tell you!

In respect of the report, once again Mr Theophanous is wrong in saying it is critical. When compared with earlier annual reports it could be regarded as modest in its commentary. I welcome the views expressed by the commission in the annual report. We seek them, we certainly note them and we are not ashamed to receive them. The government has no final plans to make any changes in this session of Parliament.

Hon. R. I. KNOWLES (Minister for Health) - Mr Eren raised a matter for the Minister for Youth and Community Affairs and referred to what he believed were changes being proposed to youth services in the City of Brimbank influenced by possible changes in state government funding. I will refer the matter to the minister.

Mrs Hogg raised for the Minister for Tertiary Education and Training a proposal reported in this morning's media about the introduction of fees for those unable to gain places. I have no knowledge of the proposal or the government's response and I will refer the matter to the minister.

Mr Walpole raised a question from a constituent about establishing a separate registration board for osteopaths. The government is involved in establishing a standard mechanism for registering the profession and Parliament has already addressed the issue of medical practitioners, nurses, psychologists and another profession, the name of which escapes me at the moment. We are reviewing all registration boards including the Chiropractors and Osteopaths Registration Board.

Concerns have been expressed about having two registration boards instead of one covering each profession. The government has indicated that additional costs would be associated with having two separate boards, and we have asked those advancing the argument for separate registration boards to canvass their members and establish whether they are prepared to pay the costs involved. I have just received a response indicating that of those surveyed in the osteopaths profession about 80 per cent are prepared to bear the additional costs. Based on that information the government will review the legislation covering the boards with a view to establishing separate registration boards.

Hon. G. R. CRAIGE (Minister for Roads and Ports) - Mrs McLean raised the important issue of power skis on Port Phillip Bay and the unfortunate tragedy that occurred at Werribee. Already I have had discussions with many groups about the current conditions that apply to the use of power skis in Port Phillip Bay and other enclosed waters. In Victoria operators do not require a licence, registration or any skills at all to operate what are often very powerful machines. I met with the Marine Board and the State Boating Council and it is my intention on Friday to raise at the Australian Transport Council the establishment of a national marine council. One of its charters will be to examine national uniformity in respect of registration,

licensing and prerequisites for operating those machines.

As one would expect, the operators of power skis tend to go to New South Wales and Queensland in winter but they need to be licensed and registered in both states. Victoria will certainly try to get things moving so we can get some commonsense into the area. We do not oppose the operation of ski boats in Port Phillip Bay, but a degree of responsibility must be taken when operating them. If one was operating such a powerful machine on land, one would need to be licensed and registered.

I hope by the summer in Port Phillip Bay some code of practice is followed, and certainly that some sense of responsibility is exercised by the majority of the people who operate power skis.

Hon. LOUISE ASHER (Minister for Small Business) - Mr Nardella raises with me an issue for referral to the Attorney-General. Those of us who have been avid readers of the pecuniary interests register over the past year or so would have read that Mr Nardella has recently acquired a number of properties and has become a landlord.

Hon. T. C. Theophanous - Is there anything wrong with that?

Hon. LOUISE ASHER - There is absolutely nothing wrong with it. Let me first take up the policy point. Mr Nardella claims he approached the Residential Tenancies Tribunal and that he has lost rent. He has complained of delays at the tribunal and delays in handling telephone queries.

The former Minister for Housing, Rob Knowles, was well aware of a range of issues involved in this area of housing. In fact, he set up a backbench review, which I chaired and of which Mr Forwood was a member. The government has addressed these issues; it has acknowledged there are delays in the tribunal and delays in answering telephones. It has addressed the issues and these policy matters are in train. However, the second comment I make is that I am shocked that a man who claims he has integrity in this house has come into the chamber tonight and used his position as a member of Parliament to ask a minister about a personal financial matter, claiming he has lost rent.

Honourable members interjecting.

Hon. LOUISE ASHER - He raised in this Parliament the fact that he has lost rent. We have

heard much in a sanctimonious tone from the Labor Party over the past year about pecuniary interests and conflict of interest. I put it to you, Mr President, that it is outrageous for a member of the Labor Party to come into this Parliament and raise, as a landlord, a personal financial matter and request that a minister of the Crown pursue it on his behalf.

I note also that the Leader of the Opposition, Mr Brumby, has appointed the honourable member for Niddrie in another place as the shadow minister assisting the Leader of the Opposition on scrutiny of government. We are told the opposition is really into this issue of conflict of interest and scrutiny of government. I suggest the honourable member for Niddrie may well start off by scrutinising not the government but the opposition backbench for absolute abuse of parliamentary processes. That is what Mr Nardella has done by coming into this Parliament and raising the fact that he has lost money.

Honourable members interjecting.

The PRESIDENT - Order! There is no point in shouting at each other. I believe the minister is about to wind up her reply.

Hon. LOUISE ASHER - I make the point that the Leader of the Opposition has designated a particular shadow portfolio for scrutiny of government. It is my recommendation to him that he start by scrutinising his own backbench, including a member who has come into this chamber tonight and raised a matter of personal financial interest with a minister of the Crown. In my view that is an abuse of his position and a conflict of interest.

However, in deference to the traditions of this house, I shall refer this matter to the Attorney-General and she will deal with it as she sees fit

The PRESIDENT - Order! Mr Power directed a question to me about the fact that today the Parliament of Victoria became the first Parliament in

Australia to launch its *Daily Hansard* on the Internet. As usual, we are leading the way. It was interesting to note that with the debate finishing at about 6.00 p.m. in the Assembly last Friday, within hours the speeches given in both houses were available to subscribers from London, New York and Canada.

To set this in context, in 1992-93 Parliament developed an information systems strategy and that is constantly being updated. Work is being done in liaison with a government committee headed by Mrs Rosemary Varty. Our desire is to give all members of Parliament access to e-mail, and not just to ministers and departments but to the wider world; to give access to the Internet for publicly available information and, through our library, material that is not public but is relevant to our work; electronic access to all parliamentary papers and library material stored on CD-ROM, on which are available the statutes of Victoria, encyclopaedias, dictionaries, back issues of the newspapers and so on.

Hon. T. C. Theophanous - Is this on the Internet?

The PRESIDENT - No, it is in the library. CD stackers are provided in the library. We hope within a relatively short period to start to phase in this program so that each member of both houses has access to those programs, and in turn we as a Parliament become more accessible to the rest of the world. These are very exciting and important times for MPs.

Hon. T. C. Theophanous - When will we have upgraded facilities in our offices to be able to access the Internet?

The PRESIDENT - You will see beneficial movement in that area in the not-too-distant future, but it will be a progressive movement.

Motion agreed to.

House adjourned 11.07 p.m. until Tuesday, 18 June.

