PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

25 September 2001

(extract from Book 4)

Internet: www.parliament.vic.gov.au/downloadhansard

By authority of the Victorian Government Printer

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:
The Hon. J. W. THWAITES

Leader of the Parliamentary Liberal Party and Leader of the Opposition:
The Hon. D. V. NAPTHINE

Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:
The Hon. LOUISE ASHER

Leader of the Parliamentary National Party:
Mr P. J. RYAN

Deputy Leader of the Parliamentary National Party:
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Jasper, Mr Kenneth Stephen	Murray Valley	NP	Thompson, Mr Murray Hamilton	Sandringham	LP
Kennett, Mr Jeffrey Gibb [1]	Burwood	LP	Thwaites, Mr Johnstone William	Albert Park	ALP
Kilgour, Mr Donald	Shepparton	NP	Trezise, Mr Ian Douglas	Geelong	ALP
Kosky, Ms Lynne Janice	Altona	ALP	Viney, Mr Matthew Shaw	Frankston East	ALP
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Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Wantirna	LP
Languiller, Mr Telmo	Sunshine	ALP	Wilson, Mr Ronald Charles	Bennettswood	LP
Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP

[1] Resigned 3 November 1999
[2] Elected 11 December 1999
[3] Resigned 12 April 2000
[4] Elected 13 May 2000

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TUESDAY, 25 SEPTEMBER 2001

Tuesday, 25 September 2001

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 2.05 p.m. and read the prayer.

QUESTIONS WITHOUT NOTICE

Business: job losses

Dr NAPTHINE (Leader of the Opposition) — My question without notice is directed to the Premier.

Mr Viney interjected.

Dr NAPTHINE — I am more concerned about the 2000 people who have lost their jobs today!

Noting today's devastating loss of approximately 2000 retail jobs in Victoria, and particularly the full closure of Daimaru, I ask: is this another example of a major business closure in Victoria that the Premier knew nothing about and did nothing about before it was announced this morning?

Mr BRACKS (Premier) — I thank the honourable member for his question on two matters — that is, relating to Daimaru and Coles Myer.

In the Coles Myer case, it has been known for some time that it was looking at some changes in its management structure between its three head office operations in Victoria. It has gone ahead with that today. Last night I was informed by the new chief executive of Coles Myer that it would result in some 1000 to 1200 job losses in management positions, 70 per cent of which will be in management and administrative positions in the head office functions at three locations — one in the city itself, another in Geelong and a third in its operations in the south-east.

In addition, I was informed that over the next 12 months Coles Myer will be increasing its employment by 1000, which will open up new retail businesses in Victoria. They will be opened up progressively, and the company has already opened some.

Everyone on the government benches is concerned about the job losses that have been announced by Coles Myer. It has pursued this because of internal management difficulties it has had. We are working with Coles Myer for new business and new retail opportunities in the future. It is no secret when you look back on some of the comments made by Coles Myer as to its loss of market share.

I refer to a couple of comments made by Stan Wallis, who chairs AMP and is also a director of Coles Myer, who said that retail sales being down 4 to 5 per cent in real terms was due to the introduction of the GST. Those comments were made by Mr Stan Wallis on ABC radio on 11 April 2001. The previous chief executive of Coles Myer, Dennis Eck, made a similar comment on ABC radio on 15 March 2001 when he indicated that the difficulty of adjustments were to do with the GST also. Despite the problems of the introduction of the GST, over the last 12 months Victoria's performance in retail sales has improved by 18.7 per cent.

Mr Cooper interjected.

The SPEAKER — Order! I ask the honourable member for Mornington to cease interjecting in that vein.

Mr BRACKS — That is the best — —

Mr Cooper interjected.

The SPEAKER — Order! I have asked the honourable member for Mornington to cooperate with the Chair. If the honourable member continues to interject in that vein I will use sessional order 10.

Mr BRACKS — Despite the introduction of the GST Victoria has been the stand-out economy.

In relation to the other announcement today on Daimaru, that decision was made by the principals of Daimaru in Japan. That decision was made on all their Australian operations, including 700 jobs in Victoria and 300 on the Gold Coast. There are three principal reasons for the Daimaru decision: firstly, the Japanese economy is in technical recession; secondly, it has not been making a profit for some time, and that was disclosed to the stock exchange and has been known; and thirdly, again, the implementation of the GST.

Water: rural charges

Mr RYAN (Leader of the National Party) — I refer to the Treasurer's statement last week that water industry regulation is necessary because of national competition policy and agreements Victoria has signed at the Council of Australian Governments. Does the Treasurer acknowledge that the current structure of rural water authorities does not contravene national competition policy?

Mr BRUMBY (Treasurer) — The independent regulation of water pricing and water authorities has been a matter of dialogue between the commonwealth

government and the states for some time. Indeed the commonwealth government, through the national competition policy council, which is chaired by Mr Graeme Samuel, has set time lines and, if my memory is correct, 30 June 2001 was one of the trigger guidelines for the implementation of independent price setting arrangements and regulatory arrangements for water authorities.

Victoria is not alone in that most states have failed to move to independent pricing and regulatory arrangements. The government has indicated to the competition policy council that as part of the Essential Services Commission legislation it will be reviewing pricing and regulatory arrangements for the water industry with a view to encompassing the water industry within the ambit of the Essential Services Commission from January 2003. As I indicated to the house last week, those decisions are entirely consistent with the views of other state governments, the federal government and the national competition policy council.

I am not sure what the Leader of the National Party is driving at. After my answer to the house last week he issued a press statement, which just fell flat and I do not think has been run anywhere in Australia. The Leader of the National Party is trying — and again is failing — to whip up some form of scare campaign.

Mr Ryan — On a point of order, Mr Speaker, the minister is debating the point. I ask you to have him return to the question. Whatever may or may not be my designs in terms of his answers, I will look after that. All I want to know is the answer to the question.

The SPEAKER — Order! I will not hear the Leader of the National Party any further on the point of order if he proceeds down that track. I ask the Treasurer to come back to answering the question.

Mr BRUMBY — The Bracks government's proposals are set out in the Essential Services Commission legislation which will be debated today, and they are fully consistent with the national competition policy framework. The government's proposals are out in the open and are subject to parliamentary scrutiny and debate. They propose independent regulatory mechanisms and are very different from the views of the former government, whose policy was to privatise the water industry.

Mr McArthur — On a point of order, Mr Speaker, on the issue of debating the question, the Treasurer has deliberately misled the house about Liberal Party policy.

The SPEAKER — Order! The honourable member for Monbulk well knows that if he wants to make that sort of accusation in the chamber he must do so by substantive motion.

Mr Batchelor — On a point of order, Mr Speaker, the honourable member for Monbulk in his point of order used words that are unbecoming, accusing the Treasurer of deliberately misleading. I ask him to withdraw them.

The SPEAKER — Order! The Chair intervened and instructed the honourable member for Monbulk that he could not proceed down the line that he was. I do not uphold the point of order.

Mr BRUMBY — The National Party, the mob opposite, is trying to run a scare campaign, but there is no basis to it. The catchment management authority (CMA) tax was imposed on country people all around Victoria. That was the policy of the former government. Who abolished the CMA tax? The Bracks government. Who kept the water authorities in public ownership? The Bracks government!

Mr Ryan — On a further point of order, Mr Speaker, the minister is clearly debating the point, and I ask you to have him return to the question.

The SPEAKER — Order! I uphold the point of order. I will not permit the Treasurer to debate the question. Has the Treasurer concluded his answer?

The Treasurer has concluded his answer.

Drugs: government strategy

Mr MILDENHALL (Footscray) — Will the Premier inform the house of how the government is turning around the devastating impact drug abuse is having on our community?

Mr BRACKS (Premier) — I thank the honourable member for Footscray for his question and for his continuing advocacy of reducing drug use in our community, ensuring that we have a new generation of Victorians who are better able to cope with the scourge of drugs.

At lunchtime today in Queen's Hall a 12-month report card was presented on the government's achievements in tackling drugs in our community, which have been nothing short of outstanding. The government is having a real impact on turning around the drug problem in Victoria. As reported in today's one-year report card, average waiting times for drug treatment and rehabilitation programs have reduced by some 72 per

cent, and over the last 12 months 8000 problematic drug users have been linked to professional help. There has been a cut in waiting times for residential drug treatment withdrawal, falling from an average of 11 working days to just under 4 working days.

The number of alcohol and drug treatment beds has increased from 244 12 months ago to 676, and there will be 836 beds by 2002–03. We have diverted more than 1450 people from the criminal justice system into drug education and treatment, and we have linked 49 per cent of seriously dependent heroin users to drug treatment. In addition, as part of our new efforts on prevention we are now ensuring that drug prevention programs are being rolled out to every school in Victoria.

We are turning around the problems of drugs in our community. We have made an historic investment in the new $77 million that has been invested to tackle the drug problem. We are the only government in Australia to have set benchmarks, and we have achieved each of those benchmarks over the past 12 months.

I pay tribute to the coordinating minister, the Minister for Health, for his efforts in sticking to the task and ensuring we tackle drugs in our community and for producing those outstanding advertisements, which are world class, to ensure that young people get access to professional advice.

We are turning around the scourge of drugs in our Victorian community. The report card for the past 12 months is very, very impressive.

Attorney-General: conduct

Dr DEAN (Berwick) — I refer the Premier to his comments as reported in the press on 16 June when he said:

> Government ministers are required to stand down from portfolios pending the outcome of a criminal investigation …

I ask, given that the Attorney-General is under a 17-month investigation for criminal fraud, why has he not — —

Mr Hulls — On a point of order, Mr Speaker, in relation to the scandalous and outrageous allegation that has been made, I ask the honourable member to withdraw.

The SPEAKER — Order! A point of order has been taken by the Attorney-General indicating that he has taken offence at the allegations contained in the question asked by the honourable member for Berwick. The custom in this house has been that where a member has taken offence at a comment that has been made, that comment be withdrawn. I ask the honourable member for Berwick to withdraw the allegation he has just made and to rephrase his question.

Dr DEAN — Mr Speaker, I will need some guidance from the Chair in relation to this matter. I can assure you, Mr Speaker, that any offensive material or statements will be withdrawn, but I need some advice from the Chair. Given that I am trying to ask a question about the Attorney-General in relation to an investigation that is taking place, I am happy to withdraw any offensive remarks, but I have to be able to ask the question, and given that that is a part of the question I need some advice from the Chair.

Mr Batchelor — On the point of order, Mr Speaker, the standing orders are quite clear. I draw your attention to standing order 108, which says:

> No member —

that is, no-one —

> shall use offensive or unbecoming words in reference to any member of the house —

and it goes on to say further —

> and all imputations of improper motives and all personal reflections on members shall be deemed disorderly.

There is no doubt that in deliberately framing the question in that way the honourable member set out to use offensive and unbecoming words and, in addition, to cast imputations of improper motives, and in the circumstances he cannot do that. He is entitled to ask a question, but he is not entitled to use offensive or unbecoming words or words that have implications of improper motives — and if any member does so those words must be withdrawn. The honourable member for Berwick should be given an opportunity to rephrase the question, or you, Mr Speaker, should call another question.

Dr Napthine — On the point of order, Mr Speaker, the Leader of the House is incorrect. The question referred to two issues that the Attorney-General may have inadvertently taken offence at. The first was when in the prelude to his question the honourable member for Berwick quoted from a press statement by the Premier on 16 June:

> Government ministers are required to stand down from portfolios pending the outcome of a criminal investigation.

I do not think anybody could take offence at the quote from the Premier. The second part, which led to the question, said:

> … the Attorney-General is under … investigation for criminal fraud …

The facts are that the Attorney-General is under investigation by the commonwealth police — —

The SPEAKER — Order! I ask the Leader of the Opposition to be careful in further contributing to the point of order.

Dr Napthine — That is a fact as we understand it. The fact that somebody is under investigation per se does not constitute an offence under standing order 108, because it does not imply an imputation of improper motives or a personal reflection. Until the outcome of the investigation is known, I put it to you, Mr Speaker, that the question is fair and reasonable.

Mr Thwaites — On the point of order, Mr Speaker, there has been a clear breach of standing order 108. The honourable member for Berwick has made allegations of impropriety against another honourable member of the house. Standing order 108 requires that if the honourable member making the allegation is asked to withdraw, he should withdraw.

In his comments the Leader of the Opposition slid from an investigation allegedly into criminal fraud to 'an investigation'. There may be some investigation into allegations made by the honourable member for Mordialloc — which I may say he makes almost weekly against all members of the Labor Party — but the fact that a member of the opposition makes allegations does not give any honourable member the right to breach standing order 108.

Mr Cooper — On the point of order, Mr Speaker, the government members who have spoken on the point of order have slung their complete weight behind standing order 108, which applies where an honourable member makes a direct imputation against another honourable member. The honourable member for Berwick asked a question that related to a fact — that is, that a police investigation is taking place. It appears that his crime has been to mention what it is that is being investigated. But that is a fact!

It is almost impossible for an honourable member to ask a question relating to the behavioural standards of a minister without mentioning how that minister, according to an allegation or investigation, may well have breached those standards. In this case we have a situation where there is a federal police investigation into criminal fraud — and that is a fact. It is simply impossible for the honourable member for Berwick to ask a question that has any semblance of reason or intelligence without mentioning the facts. He is entitled, Sir, to mention the facts. I might say — —

Honourable members interjecting.

Mr Cooper — I am not going to sit down until I finish my point of order.

The SPEAKER — Order! The honourable member for Mornington, addressing the Chair.

Mr Cooper — It is fair and reasonable that the honourable member for Berwick be allowed to ask his question so that the Attorney-General and the Premier can understand what he is asking. It is then, Sir, up to them to answer it. One would think that taking this point of order and arguing it out the way they have shows they simply want to avoid the question of the investigation into the Attorney-General. We want answers, and so do the people of Victoria.

The SPEAKER — Order! I am prepared to rule on the point of order raised by the Leader of the House in reference to standing order 108, which reads:

> No member shall use offensive or unbecoming words in reference to any member of the house and all imputations of improper motives and all personal reflections on members shall be deemed disorderly.

The honourable member for Berwick, in speaking to the point of order, has indicated to the house his preparedness to withdraw all such imputations contained in his question and has sought clarification from the Chair as to in what manner he could phrase his question in regard to ministerial accountability.

In regard to that we are guided by the rulings of Speakers Delzoppo and Plowman as contained on page 124 of *Rulings from the Chair — 1920–2000* where those rulings spell out that a question cannot inquire into the particular circumstances involving a minister during a time other than when they were a minister of the Crown. So if the honourable member for Berwick wants, as he started to do, to ask the Premier a question in regard to his view on ministerial responsibility he can continue to do so, but in doing so he must not seek to canvas issues or a matter that relates clearly to a period when the minister did not have ministerial responsibilities.

The honourable member for Berwick, rephrasing his question.

Dr DEAN — In line with your ruling I will rephrase the question, which I hope will not upset the sensibilities of the Attorney-General — —

Honourable members interjecting.

The SPEAKER — Order! I ask the government benches to come to order. The honourable member has already indicated previously that he has withdrawn all imputations that he may have made inadvertently.

Dr DEAN — I refer to comments as reported in the press on 16 October 2001 that the Premier made when he said, and I quote — —

Mr Robinson — That is two weeks away!

The SPEAKER — Order! The honourable member for Mitcham is not assisting proceedings.

Dr DEAN — I am doing my best to comply with your ruling, Mr Speaker.

Honourable members interjecting.

The SPEAKER — Order! I ask government members to come to order, particularly the honourable member for Springvale.

Dr DEAN — I will start again, Mr Speaker. I refer to comments, as reported in the press on 16 June 2001, that the Premier made when he said, and I quote:

> Government ministers are required to stand down from portfolios pending the outcome of a criminal investigation …

Is it not the case that the Attorney-General is currently being investigated for criminal fraud?

Mr Hulls — Mr Speaker, again my point of order is that the words being used absolutely impugn my character. I take offence at them, and I ask that they be withdrawn.

Dr DEAN — On the point of order, Mr Speaker, the Attorney-General has legal expertise, and he will know that to be investigated — I am sure that he would agree with this — is in no way to have it said that you are innocent or guilty. In fact it is an absolute tenet of our law that you can be investigated and you may be innocent or you may be guilty. Consequently, to refer to an investigation is of course under law to make no allegation whatsoever. More importantly, I have deliberately rephrased the question to ask if the Premier is aware of such a thing. By asking the Premier if is he aware of such a thing, I can hardly be casting any aspersions on anybody else. If he gets up and says, 'I'm not aware of such a thing' — end of question. On those two grounds — first of all, that there is no imputation of guilt in relation to an inquiry, and secondly, that I am simply asking the Premier if is he aware of such a thing — there can be no imputation whatsoever against the Attorney-General.

The SPEAKER — Order! I am prepared to rule on the point of order raised by the Attorney-General. It seems to the Chair that the terminology contained in the question asked by the honourable member for Berwick does go to inferring improper motives by the Attorney-General and therefore is out of order. I ask him to cooperate with the Chair by withdrawing that imputation and then rephrasing his question to have it simply referring to an investigation.

Dr DEAN — I can do that, Mr Speaker; that is alright. I refer to the comments as reported in the press on 16 June 2001 — —

The SPEAKER — Order! I ask the honourable member for Berwick to cooperate by withdrawing.

Dr DEAN — I withdraw any imputations that may have been made against the Attorney-General, and I will do my best to assist the Chair in relation to this question.

I refer to comments as reported in the press on 16 June 2001, when the Premier said:

> Government ministers are required to stand down from portfolios pending the outcome of a criminal investigation.

If any ministers of his were the subject of a criminal investigation, would he stand by those words and stand down that minister?

Mr BRACKS (Premier) — I indicate to the honourable member for Berwick that the allegations by the shadow Minister for Transport, the honourable member for Mordialloc, are baseless. In fact the material the shadow Minister for Transport has is the same material that in 1997 the now Deputy Leader of the Opposition had and, having some scruples, did nothing with. It is the same material that in December 1999 the Leader of the Opposition had. The only person who has done something with it is the honourable member for Mordialloc.

Dr Napthine — On a point of order, Mr Speaker, the Premier is now debating the question. The question as reworded did not refer to any particular minister. The question as reworded referred to no particular minister and did not refer to the Attorney-General. If the Premier thinks that the Attorney-General, the subject of the question, is guilty let him say so, but the question as worded — —

Honourable members interjecting.

The SPEAKER — Order! I do not uphold the point of order. The question that has been posed by the honourable member for Berwick to the Premier relates to a statement that he as Premier has made in regard to ministerial responsibility. I ask the Premier to come back to answering that question.

Mr BRACKS — Let me keep the reply in the general, in the spirit of the question. We have the highest standards of ministerial responsibility, and, in tandem with that general answer, we do not respond to baseless and senseless allegations.

Dr Dean — On a point of order, Mr Speaker, my question was very specific. Without repeating it, it was asking whether or not the Premier stood by certain comments in relation to criminal investigations. The Premier has made no attempt whatsoever to answer that question. I refer you to Speaker Coghill's ruling, which was quite clear, that if a minister does not want or intend to answer a question he should say so and sit down, but if he does he ought to be relevant to that question. I ask you to ask the Premier to give a relevant answer to the question, which was: do you stand by those comments?

The SPEAKER — Order! I do not uphold the point of order raised by the honourable member for Berwick on the question of relevance. I thought the Premier was being relevant, and I will continue to hear him.

The Premier has finished his answer.

Drugs: government strategy

Ms OVERINGTON (Ballarat West) — I refer the Minister for Health to the ongoing effort by the Bracks government to reduce the harm caused by illicit drug use and ask him to inform the house of the latest action taken by the government to help Victorians get off drugs.

Mr THWAITES (Minister for Health) — We heard earlier from the Premier about the success over the past 12 months of the government's drug policies, and in particular the reduction of some 77 per cent in waiting times for treatment. But we do not believe it is appropriate to stop there: we believe we need to do more. Today the Premier and I announced a further $19 million of initiatives in a range of areas.

In the next year the government will particularly be endeavouring to target hard-to-reach groups or groups that have not fully benefited from the drug strategy. One of those groups is parents with children who need child-care support during drug treatment. We will be providing extra funding for child care for these parents during the drug treatment process.

Another important group is young people, for whom the cost of going onto methadone can be considerable. While Medicare pays the medical aspect, there are dispensing costs that can be up to $35 a week. We will be funding for young people, and young people on juvenile justice orders, the dispensing cost of methadone this year. That is a significant boost.

Another key area is general practitioners. In the past only a small percentage, about 6 per cent, of general practitioners have been prescribing methadone as part of that program. We are providing extra funds this year to ensure there are general practitioners throughout the state and in community health centres prescribing methadone and taking part in methadone treatment. We will also be working with pharmacists to ensure they are able to provide that treatment.

Another critical group is Kooris. Research has indicated that Kooris have up to twice the usage of heroin and marijuana, and there are other particular problems such as chroming. Together with the Minister for Aboriginal Affairs we will be implementing $1 million worth of specific programs this year to work with the Koori community to overcome drug abuse.

Finally, I turn to prevention, which is an area that historically has not had nearly enough support. In the past, prevention only took up some 3 to 5 per cent of the total budget. We have increased prevention funding to 25 per cent of new initiatives in drugs. Some $4.8 million will be allocated this year to the Premier's Drug Advisory Council to ensure that we have the best prevention programs to keep our young people away from drugs.

Attorney-General: conduct

Dr DEAN (Berwick) — I ask the Premier when the Attorney-General first personally advised him that he had been notified by the federal police that he was the subject of an investigation.

Mr BRACKS (Premier) — The first time I became aware of this was about the same time that the rest of the Victorian public became aware of it — that is, Sunday, 20 February, when the shadow Minister for Transport issued a press release saying that he had written to the federal police.

Dr Napthine — On a point of order, Mr Speaker, the Premier is debating the question. The question asked when the Attorney-General first advised the Premier, not when the Premier first became aware

through the media. I ask you, Mr Speaker, to bring the Premier back to addressing the question so that he can be honest, open and accountable to the people of Victoria.

The SPEAKER — Order! I do not uphold the point of order raised by the Leader of the Opposition. The house is well aware, and I have ruled so a number of times — as have many of my predecessors — that the Chair is not in a position to direct a minister on how to answer a question. I will continue to hear the Premier so long as he is relevant.

Mr BRACKS — It was when the shadow Minister for Transport issued his press release on Sunday, 20 February 2000.

Tertiary education and training: apprentices and trainees

Mr HOLDING (Springvale) — I ask the Minister for Post Compulsory Education, Training and Employment to inform the house of the latest information concerning the level of apprenticeships and traineeships in Victoria.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — As many in this house are aware, apprenticeships and traineeships are booming in Victoria. In fact, we lead the way right around Australia. When we came to office there were 71 800 apprentices and trainees in Victoria — that is what the previous government left us. In May we announced that we had achieved a target of 100 000 apprentices and trainees. We have worked very closely with industry to make sure that we have as many apprentices and trainees as possible in Victoria. That was an Australian first.

I am very pleased to announce to the house that as of today we have over 110 000 apprentices and trainees in Victoria. That is a 54 per cent increase since we came to office, so we have turned things around absolutely in relation to apprenticeships and traineeships. It is a 10 per cent increase in apprenticeships and a 52 per cent increase in traineeships.

That is a staggering 84 000 new employees in apprenticeships and traineeships. This growth has been underpinned by a record $166 million in funding for this year. We have had fantastic growth across Victoria, which leads the way for the rest of Australia.

It is worth noting the terrific growth in apprenticeships and traineeships in a whole range of industry areas: a 10 per cent increase in the electronics and electrical area on the same period last year; a 54 per cent increase in the agriculture and horticulture area; a 154 per cent increase in professionals associated with health and welfare; and importantly the growth in the retail sector has been substantial. We have seen a 110 per cent increase in apprenticeships and traineeships over the last 12 months. These are real jobs for young people.

Obviously, the opposition does not want young people to have real training and real jobs, but the government does. We now have 19 200 apprentices and trainees employed in the retail sector compared with 8600 when we came to office. A lousy 8600! This is absolute proof that the Bracks government is getting on with the job of making the investment in skills and training that is required to underpin employment growth in Victoria. I am very pleased that this side of the house represents the national growth in apprenticeships and traineeships. Without Victoria the rest of Australia would look pretty poor.

Attorney-General: conduct

Dr DEAN (Berwick) — I refer the Attorney-General to his statement in October 2000 that his reasons for 11 taxpayer-funded trips to Victoria between April 1990 and October 1992 were because he was a member of several parliamentary committees. How can he remain in his position as Attorney-General of Victoria when he was not on a single parliamentary committee during that period and was not attending parliamentary committees, and has therefore misled the Victorian public?

The SPEAKER — Order! I refer the house, and particularly the honourable member for Berwick, to page 124 of *Rulings from the Chair — 1920–2000* and rulings by Speaker Delzoppo and Speaker Plowman. Speaker Delzoppo's ruling reads:

> The Speaker ruled a question to the Premier concerning his alleged private use of government cars out of order because the question must relate to government administration of policy and be directed to the minister responsible. The question related to a matter which took place before the period of the Premier's administration and the Speaker advised the member he could raise the matter during the grievance or adjournment debate.

In accordance with that ruling, I rule the question out of order.

Mr McArthur — On a point of order, Mr Speaker, I ask you to reconsider this issue because the question related to the statement made by the Attorney-General and not to his actions prior to his being elected to this place. The question was specifically phrased around the statement he made that related to his earlier actions. Our question relates to the statement he made to the

people of Victoria while he was Attorney-General. On that basis, Sir, I ask you to reconsider your ruling.

The SPEAKER — Order! I do not uphold the point of order. The question asked by the honourable member for Berwick related to matters that were clearly outside the jurisdiction of the Attorney-General. In accordance with the precedent I have referred to, I have ruled the question out of order.

Schools: funding

Mr HARDMAN (Seymour) — Thank you, Mr Speaker — —

Dr Dean — On a point of order, Mr Speaker, it may have been that because of the wording of the question you took a meaning that was not meant. The question that was asked was not related in any way to whether or not there were certain meetings or otherwise, but only to a statement that was made. It was only to relate to a statement that was made by this Attorney-General in his period as Attorney-General, and it went to whether that statement was correct. I am happy if the detail that is not an important part of the question is left out. The import of the question was meant to be, 'If this is a statement you have made as Attorney-General and it is true, shouldn't you resign?'. That was the nature of the question, and I would like to ask — —

The SPEAKER — Order! If that is the question that the honourable member wishes to ask he will get the call immediately after the honourable member for Seymour.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Monbulk on a point of order.

Questions interrupted.

DISSENT FROM SPEAKER'S RULING

Mr McARTHUR (Monbulk) — I desire to move, by leave:

> That this house dissents from the ruling of Mr Speaker in ruling out the question asked by the honourable member for Berwick to the Attorney-General.

Leave refused.

Questions resumed.

The SPEAKER — Order! The honourable member for Monbulk, on a further point of order.

Mr McArthur — I desire to give notice — —

Honourable members interjecting.

Mr Brumby interjected.

The SPEAKER — Order! The Treasurer! Is the honourable member for Monbulk seeking the call from the Chair to give a notice of motion?

Mr McArthur — It is in relation to that refusal of leave.

The SPEAKER — Order! The honourable member for Monbulk has sought to move a motion by leave, and leave has been refused. The honourable member has the option of giving notice of a motion. I shall call the honourable member for Monbulk at the conclusion of question time to do precisely that.

Mr Perton — On a point of order, Mr Speaker, on the question of the call, last week the honourable member for Clayton was clearly out of order in respect of a question and you, Mr Speaker, allowed him to re-ask it and in fact re-interpret it. On that basis the Chair should allow the honourable member for Berwick to ask his question in either a rephrased way or an appropriate way. It would be outrageous for the honourable member to lose the call in exactly the same circumstances in which the Chair ruled last week in respect of the honourable member for Clayton. Mr Speaker, you should now call the honourable member for Berwick.

The SPEAKER — Order! I do not uphold the point of order raised by the honourable member for Doncaster.

Mr HARDMAN — I refer the Minister for Education to the impact of seven years of neglect by the former government on public education. Will the minister inform the house of the latest information concerning the Bracks government's investment in our school system?

Ms DELAHUNTY (Minister for Education) — I thank the honourable member for his question and also for his enduring interest in education, which is of great importance to all Victorians, particularly Victorian parents and Victorian grandparents. While the Kennett government starved, closed or tried to privatise our schools, the Bracks government is investing in opportunities for young people across the state. Indicative budgets for schools for 2002 were delivered to schools last week, on 20 September. This is the earliest that school budgets have ever been in the hands

of schools, and it allows schools the maximum time for planning.

Mr Honeywood interjected.

Ms DELAHUNTY — The honourable member for Warrandyte said they were late. They were late under the Kennett government in 1995, 1996, 1997 and 1998.

The SPEAKER — Order! I ask the minister to cease debating the question and come back to answering it.

Ms DELAHUNTY — There is another big difference between those global budgets and the Bracks budgets: there is more money for schools in these budgets. Last year the government put an extra $140 million into school global budgets. In 2002 an extra $100 million will go directly to schools to be spent on teachers, programs and opportunities for children across the state. These budgets have been supported by every educational stakeholder. They have been tested with key principal and parent organisations. Principal organisations and teacher organisations have also signalled their support for more money going to our schools according to this budget formula.

Also, and I am sure the house will be interested in this, independent research was conducted by the Centre for Applied Research at the University of Melbourne. It found that:

> … Victoria is already among the leading school systems internationally in its approach to funding and in the development of the capacity of schools to provide the leadership and educational programs that meet student needs.

That was from the director of the centre for applied research. To illustrate what he is talking about, I will give honourable members one example. For more than two years Cobram High School has been trying to attract a technology teacher. It could not do it under the Kennett government, which starved our schools, particularly country schools. As a result of this funding formula and the extra money the Bracks government is putting into our schools, Cobram High School has now attracted a technology teacher from interstate.

There is more flexibility, more money and more opportunities for our students. As far as education is concerned, we are turning things around in Victoria.

Attorney-General: conduct

Dr DEAN (Berwick) — Can the Attorney-General assure the house the statements he made on 21 February 2000 that he was a member of several parliamentary committees between April 1990 and October 1992 are true?

Mr HULLS (Attorney-General) — It is important that the honourable member has a look — and perhaps he has — at the relevant guidelines in relation to travel that existed at the time. I made it clear that as a federal member of Parliament any travel I did was for absolutely legitimate purposes. I was on a number of committees, of which I am sure he is aware, including the Northern Australian Social Justice Strategy Working Group; the National Tobacco Industry Taskforce, appointed by the Honourable Simon Crean; the Prime Minister's Country Taskforce; the Primary Industries and Energy Committee; the Transport and Communications Committee; and the Aboriginal and Torres Strait Islander Affairs Committee. These committees were all federal parliamentary caucus committees. I conclude by saying that any travel undertaken by me as federal member for Kennedy was absolutely legitimate.

Mr McArthur — On a point of order, Mr Speaker, I refer to the earlier ruling by the Chair that a question from the honourable member for Berwick was out of order because it related to the activities of the Attorney-General prior to becoming a member of this place. I put it to the Chair that it has just allowed the honourable member to answer a question entirely focused on his activities prior to becoming a member of this place. I ask whether there are two rules.

The SPEAKER — Order! I do not uphold the point of order. The question asked by the honourable member for Berwick related to whether the Attorney-General stood by a statement he made in 2000.

Crime Stoppers International conference

Mr TREZISE (Geelong) — I refer the Minister for Police and Emergency Services to the government's campaign to increase community safety. Will the minister inform the house of details of an international Crime Stoppers conference coming to Melbourne?

Mr HAERMEYER (Minister for Police and Emergency Services) — In 2003 the Crime Stoppers International conference will be held outside North America for the first time. It will be held right here in Melbourne.

This is an exciting opportunity for Victoria and a vote of confidence in the state. It will enable us to enhance our knowledge and understanding of crime prevention in other jurisdictions. That shared knowledge will be of benefit to Crime Stoppers and crime prevention

practitioners in the state and will certainly enable Victoria to remain the safest place in Australia.

It will provide a significant boost to tourism as some 600 delegates and their families come to visit Victoria from the United Kingdom, the United States of America, Canada and Europe. The government will be encouraging them not just to visit Melbourne but to see all of the wonderful attractions Victoria has to offer and to share all the great experiences that are to be had.

I particularly congratulate the Crime Stoppers board and the Melbourne bid team on getting this vote up at the current Crime Stoppers conference in Pueblo, Colorado. It was a tremendous effort on their part, and I particularly want to congratulate Christine Unsworth, Detective Senior Sergeant Val Smith and Detective Sergeant Steve Bernardo from Crime Stoppers Victoria Ltd, all of whom were part of the bid team, and the Deputy Secretary of the Department of Justice, Alan Clayton. They all shifted travel arrangements at a difficult time to get over to the United States to present Victoria's bid.

I also congratulate Deputy Commissioner Peter Nancarrow, who accompanied me to lobby the Crime Stoppers International Secretariat earlier this year, as well as Crime Prevention Victoria and the Melbourne Convention and Marketing Bureau.

This announcement comes on top of last week's announcement that Crime Stoppers has secured a $600 000 sponsorship from the Returned and Services League (RSL).

Dr Napthine — Because you wouldn't fund it!

Mr HAERMEYER — Good grief! I find this an interesting interjection. This is the person who said he was interested in nothing else but 2000 jobs and then asked not one further question about jobs after that. He says the government would not fund it. The government provided bridging funding for Crime Stoppers to stop it from folding and funded it more than your government ever did. Your government put not one red cent into it!

The SPEAKER — Order! The Minister for Police and Emergency Services shall address the Chair!

Mr HAERMEYER — When you listen to that, 12 per cent seems to make some sense!

I commend the RSL on its decision to sponsor Crime Stoppers. This opens a new era with new opportunities for Crime Stoppers, particularly in developing some new programs such as Crime Stoppers in Schools and Crime Stoppers in Prisons, which is an innovative program we have seen operating in the state of Texas.

Honourable members interjecting.

Mr HAERMEYER — Some opposition members seem to think it is rather amusing, but it is a program that has achieved big results in bringing to justice some serious criminals including paedophiles, sex offenders, murderers and so on in Texas. It is a successful program and one that I would like to see Crime Stoppers in Victoria expand into.

It is good news for Victoria, good news for Crime Stoppers, good news for crime prevention and bad news for the opposition!

PETITION

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

Libraries: funding

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

The humble petition of the undersigned citizens of the state of Victoria respectfully requests:

that the Victorian government immediately invest substantially more in public library services for the benefit of all Victorians;

that the Victorian government increase funding to public libraries for the purchase of books;

that the Victorian government increase funding for the purchase and maintenance of mobile library services to ensure the removal of the barrier to access by Victorians in rural and remote areas.

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

By Ms BURKE (Prahran) (272 signatures)

Laid on table.

Ordered to be considered next day on motion of Ms BURKE (Prahran).

DRUGS AND CRIME PREVENTION COMMITTEE

Overseas study tour

Mr JASPER (Murray Valley) presented report.

Laid on table.

Ordered to be printed.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 10

Ms GILLETT (Werribee) presented *Alert Digest* No. 10 of 2001 on Infertility Treatment (Amendment) Bill, together with appendices.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Financial Management Regulations 1994 — Order in Council pursuant to Regulation 11 — Authorisation of expenditure of a Royal Commission

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

Banyule Planning Scheme — No. C5

Cardinia Planning Scheme — Nos C15, C22

Greater Bendigo Planning Scheme — No. C5

Greater Dandenong Planning Scheme — Nos C18, C21

Hobsons Bay Planning Scheme — No. C20

Indigo Planning Scheme — No. C6

Manningham Planning Scheme — No. C3

Maroondah Planning Scheme — No. C15

Moira Planning Scheme — No. C2

Moonee Valley Planning Scheme — Nos C17, C26

Murrindindi Planning Scheme — No. C5 Part 1

South Gippsland Planning Scheme — No. C1

Stonnington Planning Scheme — No. C12 Part 1

Subordinate Legislation Act 1994 — Minister's exception certificate in relation to Statutory Rule No. 88.

ROYAL ASSENT

Message read advising royal assent to:

Community Visitors Legislation (Miscellaneous Amendments) Bill

Public Notaries Bill.

APPROPRIATION MESSAGES

Messages read recommending appropriations for:

Country Fire Authority (Miscellaneous Amendments) Bill

Statute Law Further Amendment (Relationships) Bill.

PARLIAMENTARY COMMITTEES

Membership

Mr BATCHELOR (Minister for Transport) — By leave, I move the following motions in relation to the membership of joint investigatory committees:

Family and Community Development Committee

That Mr Wilson be discharged from attendance on the Family and Community Development Committee.

Law Reform Committee

That Mr McIntosh be discharged from attendance on the Law Reform Committee.

Environment and Natural Resources Committee

That Mr Ingram be discharged from attendance on the Environment and Natural Resources Committee.

That Mr Mulder be discharged from attendance on the Environment and Natural Resources Committee and that Mrs Fyffe be appointed in his stead.

Public Accounts and Estimates Committee

That Ms Asher be discharged from attendance on the Public Accounts and Estimates Committee and that Mr Clark be appointed in her stead.

Scrutiny of Acts and Regulations Committee

That Mr Dixon be discharged from attendance on the Scrutiny of Acts and Regulations Committee and that Mr Maclellan be appointed in his stead.

Motions agreed to.

BUSINESS OF THE HOUSE

Program

Mr BATCHELOR (Minister for Transport) — I move:

That, pursuant to sessional order 6(3), the orders of the day, government business, relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 27 September 2001:

Essential Services Commission Bill

Gene Technology Bill

Commonwealth Games Arrangements Bill

Commonwealth Powers (Industrial Relations) (Amendment) Bill.

In speaking briefly to this motion I point out that while there are only four bills on the government business program this week they are bills on which I suspect a

number of members from both parties will have expressed a desire to speak. They are bills of interest to the wider community that will have a significant impact in a whole range of areas. It is in that context that the government has put forward this business program. While the bills are only four in number, we may well find that the time allotted over the remainder of this week for the progression of legislation may not be sufficient to meet the desires of all the honourable members who wish to speak. Given the nature of these bills the government expects that this motion will be passed.

Mr McARTHUR (Monbulk) — This is not a particularly large or lengthy business program. I imagine that by the time we get to the last three weeks of this sitting we will be seeing 8, 9 or 10 bills in the business program each week instead of the 3 or 4 we see now. Nevertheless, some of these bills are quite significant and possibly contentious, and perhaps they will result in some interesting debates. However, I can assure members of the house that it will be an interesting week in the house, given the government's actions so far in this place in attempting to cover up and protect its ministers from scrutiny.

When the Premier came into this place in late 1999 he made great play of his commitment to openness and accountability, about his honesty and about his determination to make sure his ministers were above and beyond reproach, like Caesar's wife. Nothing would be able to be said about his ministers, according to the Premier. Since then we have seen the Premier walk away from his commitments. Like Pontius Pilate, he has walked away from all the commitments he has made to the people of Victoria.

We have seen today the head-kickers on the government side attempt to protect the Attorney-General from any level of scrutiny and responsibility. During the next two days of this week and in following weeks we will see the Attorney-General put under increasing scrutiny, despite the wishes of the Premier and members of the government to hush the issue up. This Attorney-General will be put under pressure in this place today, tomorrow and the next day! He will be put under pressure in this place in the coming weeks until he actually answers for the things he said to the people of Victoria and until he actually justifies the things he has done to the people of Victoria. They will be some of the things that will involve and no doubt excite members of this place during the coming two or three days.

I am sure these things will also be of interest to the community, because people are entitled to be able to rely on the statements of a minister of the Crown. If a minister can, without any comeback, go out and make statements and not be answerable for them, then it is a sad day for Victoria, it is a sad day for the Parliament and it is a sad day for our democratic system.

During the coming days and weeks the opposition parties will be turning their attention to the issue that this house should be debating at the moment. No doubt there will be motions and further questions and debates on this issue. We say to the Attorney-General that he might be able to run and he might be able to cower and refuse to answer questions, but he cannot hide forever!

The SPEAKER — Order! I remind the honourable member that this is a motion on the government business program.

Mr McARTHUR — And on what the house will do for the remainder of the week.

Mr RYAN (Leader of the National Party) — The National Party is in agreement with the business program, although in this the grand final week the Leader of the House and members of the government at large have their minds in other places.

Having only four bills for a parliamentary sitting week, no matter what their purported complexity, is simply insufficient. The amount of work the government is setting for this week's program is disappointing. Nevertheless, these matters are in the hands of the government, and the National Party will work with the government for the purpose of disposing of the bills on the business program.

Motion agreed to.

MEMBERS STATEMENTS

Target Australia: Geelong closure

Mr PATERSON (South Barwon) — The loss of the Target Australia head office jobs in Geelong is a matter of great regret. I think all honourable members would share in these sentiments. The government has given assurances over the past several months that it endeavoured to protect the jobs. Unfortunately, these efforts have failed.

I was disappointed with the Premier's answer to my recent question on notice that he had chosen not to handle the Target jobs crisis himself. As outlined in his response to me, the Premier instead handed the issue

over to an inexperienced junior minister, the Honourable Marsha Thomson, the Minister for Small Business in the other place. The people of Geelong were entitled to expect the Premier to take direct charge himself and to begin delivering on Labor's supposed commitment to Geelong.

The loss of so many jobs will be a major shock for Geelong, and the Premier should explain why he delegated what should have been his responsibility to a novice minister. The sacked Target workers deserve an explanation, and the people of Geelong deserve an explanation.

Box Hill Hawks

Mr ROBINSON (Mitcham) — It is with great pride that I congratulate the Box Hill Hawks football club on its magnificent win in Sunday's Victorian Football League (VFL) Grand Final. It was a great win by the club, which led all day for a 38-point win — 13.13.91 to 7.11.53 — and a justified success after 50 years of effort in the association.

Commiserations to very tough opponents, Werribee. They fought on well during the day. It may be of some consolation to them that it took a former Werribee coach in Donald McDonald to deliver the goods for the Box Hill Hawks. It is truly a case of all for one and one for all, which is the way the Box Hill Hawks play. It was a great win.

I congratulate all involved including Donald McDonald; Tony Piniwell; Rob Collier; Brien McMahon; Gary Randall; Barbara Gibbs, who would have sold more raffle tickets on the gate at Box Hill in the past 20 or 30 years than anyone else on the planet, a most magnificent achievement; long-time supporters Bryan and John Dickinson; and the many other thousands of people who went to Optus Oval on Sunday for a wonderful game of community-based VFL football, and of course an outstanding result — that is, the first ever VFL senior premiership for the Box Hill Hawks football club.

Australian Football League: country football

Mr DELAHUNTY (Wimmera) — I continue with the football theme. It is interesting that the Victorian Football League (VFL) game had to be played on Sunday so it did not clash with the Australian Football League (AFL) game.

What is the Minister for Sport and Recreation doing about country football? I am not talking about ticket scalping but the live telecast of the AFL preliminary final without consultation with Victorian country football leagues. The greedy AFL went head to head with more than 12 country grand finals contrary to an agreement it had. This robbed country leagues of much in gate takings. For example, last year's takings for the Hampden league were $38 000, but this year they were about $33 000. East Gippsland's takings last year were about $12 000, but this year they were $8000. Last year's takings for Central Murray amounted to $24 000, and this year they were $17 000.

Country football and netball is the glue that binds the social fabric of communities together. Last year it had an economic impact of some $153 million. I raised in June in this house the concerns about the effect of direct telecasts on country football, but last Saturday showed that the AFL does not understand or care about the grassroots of country football.

As the *Wimmera Mail-Times* stated in its editorial yesterday:

> The AFL delivered a final insult to country football by telecasting Saturday's preliminary final live free to air and in competition to regional grand finals.
>
> The action robbed countless big games of many, many spectators and proved once and for all that the people at the top don't give a damn about the game's foundations.

As was said on Melbourne radio talkback programs on Saturday there is major concern about country football, yet I have letters from the AFL saying that that is not true. The AFL should get out there and have a look at it, address the problem and work with country football for the maximum number of country Victorians.

Cyprus Greek Orthodox community

Mr LANGUILLER (Sunshine) — The Cyprus Greek Orthodox community was established in 1955. During the 1950s immigration to Australia was very high. The majority of these immigrants were Greek and they travelled from Greece and Cyprus to live predominantly in the Sunshine area. This area was chosen due to easy access to employment being generated by the then Massey Ferguson harvester factory. The community quickly set goals such as the building of a local church and school to meet the needs of the Greek residents in the area. Through small donations and raffles money was slowly collected, and work began on the building of the church.

In 1960 the building of the church was completed and it was named Apostolos Andreas — St Andrews. In 1963 a block of land was purchased opposite the church, and in 1967 a small community hall was built. Since then the community has grown to a membership of 500 families. The community soon decided to branch

out further by establishing specialist clubs to further meet its members' needs. In 1988 an elderly citizens club was formed, which now boasts a membership of 200. Soon afterwards a youth club was formed with 150 members. All the members within the committees work on a volunteer basis to help the community.

The Cyprus community works hard and closely with other communities in the City of Brimbank for the good of the people. Every year there have been functions to help other organisations such as the Royal Children's Hospital and the Red Cross. On behalf of the government I commend the Cyprus Greek community of Sunshine.

Cr Snez Plunkett

Mr COOPER (Mornington) — I congratulate the mayor of the Shire of Mornington Peninsula, Cr Bill Goodrem, for organising a community service on September 27 to enable local people to reflect on the terrible events in New York City and Washington, DC, on 11 September. Cr Goodrem wants this service to be an opportunity to share in the grief being felt world wide over these barbaric acts of terrorism.

While congratulating the mayor, I condemn one of his councillors, Cr Snez Plunkett, who in an email to all her councillor colleagues called for the service to be a demonstration for all the countries so far bombed by America as well as the ones it is about to bomb. These disgraceful comments by Cr Plunkett shame every decent Australian and dishonour the memory of the thousands of innocent men, women and children who were murdered by the terrorists on 11 September. If Cr Plunkett had any sense of shame or decency she would resign, and if she refuses to do that perhaps the political party she supports so strongly — that is, the Australian Labor Party — could call on her to resign.

Werribee Football Club

Ms GILLETT (Werribee) — I too want to make mention of the Victorian Football League Grand Final held last weekend and offer my commiserations to the Werribee Football Club. It is never pleasant to lose, as honourable members on the other side of the chamber can attest. However, on this occasion if Werribee had to lose to anybody it takes a bit of the edge off the pain to have lost to a team like Box Hill so it could celebrate its first grand final win in 50 years.

I congratulate the president, David Brown; the general manager, Cameron Healy; the coach, Chris Bond; the assistant coach, Simon Atkins; the captain, Michael Frost; and all of the players, who played a brilliant season of football. I would like to mention as many of them as I can: Mitchell Hanh, Shaun Smith, Jeremy Dyer, Adam Contessa, Lindsay Gilbee, Jaison Lamb, Nathan Saunders, Torin Baker, Trent Bartlett, Patrick Bowden, Scott Faulkner, James Puli, Mathew Sutton, Travis Robertson, David Mitchell, Jordan McMahon, Daniel Giansiracusa, Adam Taylor, Shane Jack, Robert Murphy, Ryan Hargrave, Mark Alvey, Brad Fuller and Shane Birss.

Congratulations, and go the Tigers for next season!

Syd and Dulcie Williams

Mr PHILLIPS (Eltham) — I congratulate two constituents of the Eltham electorate, Syd and Dulcie Williams of Eltham, who recently received the Order of Australia and the White Flame Award from Save the Children Victoria. Over the past 30 years Mr and Mrs Williams have cared for 134 children. When their youngest children started school they opened their home and their hearts to infants whose parents were in crisis and were awaiting permanent placement in a new home themselves. They have four children of their own and seven grandchildren. On a number of occasions I have spoken to the Williams's about the good work they do in the electorate and other matters. They are two hardworking, caring, committed, community-minded people.

As the representative of the Eltham electorate — their representative — I congratulate Mr and Mrs Williams on receiving the Order of Australia and the White Flame Award from Save the Children Victoria. I believe they are two of the many community-minded members of the Victorian community who go above and beyond the call to look after children or work for the community, thereby saving parliamentary representatives large sums of money.

Maria Jovanovic

Mr SEITZ (Keilor) — I place on record my tribute to a migrant woman, Maria Jovanovic of 19 Eddie Street, St Albans. She is of Greek origin, is married — as you can tell by the surname — to a Serbian person and has worked in the St Albans community and in the Greek community, in particular, in promoting community life in a voluntary capacity. She was a Greek language teacher before it was in fashion and before funding was available to teach young migrant children reading and writing in the Greek language.

She is a mother who brought up her own children with her husband's support and has been involved in school councils. She is an extraordinary person and has been

involved in all mainstream community activities. At the age of 70 she is a grandmother and once again is involved in the education of her grandson, attending school to read and learn modern English and keeping up with modern teaching and the books her grandson has at her house. I record my admiration of Maria Jovanovic.

Many migrant people are volunteers and provide much infrastructure work in our society, but they are rarely recognised in Australia when it comes to honour awards because they do not have a circle of friends who can write submissions on their behalf.

Portarlington: wharf crane

Mr SPRY (Bellarine) — I raise an issue on behalf of the professional fishing fraternity in Portarlington. I quote from a recent letter from Robert Saunders, the Parks Victoria chief ranger for Port Phillip city and bays, where he states:

> … the crane is not safe for use and due to its significant age and deterioration, it is not feasible to repair. Parks Victoria thus advises that the crane will not be reinstated.

This crane is used by the 30 or so fishermen and their crews who operate mussel leases, long-lining and seine netting operations from the Portarlington harbour to lift gear, including concrete mussel line anchors, into and out of their boats. If it is not replaced the fishing fleet will have to hire mobile cranes at enormous expense, and because of this expense will be tempted to use the hired cranes even if the weather is unsuitable, thereby endangering themselves and their crews.

Parks Victoria manages the multimillion dollar harbour facility at Portarlington for the Department of Natural Resources and Environment. Its focus is not so much on commercial activities as on tourism. If in the extreme case we lose the fishing industry in Portarlington tourists will have nothing better to do than to look at each other, and as a consequence will not come. The loss of this facility is a threat to an important regional development activity. The Bracks government must therefore be prepared to intervene and replace this wharf crane immediately.

Ansett Australia: financial crisis

Ms BEATTIE (Tullamarine) — Thousands of jobs are in jeopardy due to the loss of Ansett Australia and other companies, including Gate Gourmet, that in the past have supported Ansett's operations. As workers face an uncertain future the Deputy Prime Minister, John Anderson, seems intent on killing Ansett stone dead. After sitting on his hands for months, yesterday he described Ansett as 'just a carcass'. He should be helping devastated families and assisting in getting planes in the air. What is he doing instead? Plunging the knife into an aviation icon.

I support Ansett workers, local businesses and those who seek to play a positive role in this distressing situation. I thank Graham, Russell, John and Steve, who have alerted me to the commonwealth government's inability to answer questions raised on behalf of Ansett workers. Both the collapse and the failure to ensure that workers have a future are clearly the fault of the Howard–Anderson government, which is doing nothing to assist workers, to assist tourism or to assist Ansett in getting back in the air. As I said, Mr Anderson called Ansett a carcass. He seems intent on driving Ansett into the ground, and he and John Howard stand condemned for their lack of action.

The DEPUTY SPEAKER — Order! The honourable member for Sandringham has just over 20 seconds.

Sandringham and District Memorial Hospital

Mr THOMPSON (Sandringham) — I wish to express my strongest possible concern on behalf of the Sandringham community regarding the blow-out in waiting list times for the Sandringham hospital. In June 1999 there were five people on hospital waiting lists for longer than the ideal time. Today that figure stands at 94, and the trend is increasing.

The number of people waiting on hospital trolleys for longer than 12 hours has increased across the state from 2245 to 6802.

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

ESSENTIAL SERVICES COMMISSION BILL

Second reading

Debate resumed from 23 August; motion of Mr BRUMBY (Treasurer).

Government amendment circulated by Mr PANDAZOPOULOS (Minister for Gaming) pursuant to sessional orders.

Mr CLARK (Box Hill) — The Essential Services Commission Bill represents a remarkable policy U-turn by the Victorian ALP. We well recall several years ago ALP members railing against the whole idea of industry reform and private sector involvement, and we recall

them fighting it every step of the way. Next they promised what they referred to as tough new restrictions to protect the public against what they said were the failings of industry reform.

Now when it comes time to put up something before this house it is a bill which neither undoes the Kennett government reforms nor imposes tough new restrictions. Rather, what the bill does is continue the status quo as it stood when Labor came to office, but it applies to it a thick, smothering layer of Labor's special contribution to government — namely, red tape, committees, inquiries and inaction.

The result of this legislation and Labor's overall mismanagement of our regulated industry is likely to be more costs to consumers, more delays in the introduction of new capacity and facilities, less innovation, less responsiveness to customer needs and an increased risk of blackouts and shortages.

It is important to put into context the whole history of industry reform in the state and, indeed, nationally. It is a history that goes back many years and that has enjoyed bipartisan support at various stages and in various places. In particular, it has enjoyed bipartisan support from time to time at a federal level. Probably the origins of industry reform in Australia go back to the first Trade Practices Act and to the former Industries Assistance Commission. But then, in the late 1970s and into the 1980s, momentum began to gather, with some of the first steps being taken by the then federal Treasurer and now Prime Minister of Australia, John Howard. It fell to the Hawke Labor government to take further reform steps within Australia, first of all with deregulation of our exchange rates and opening up of the banking industry. We then saw national competition policy. Fred Hilmer's inquiry, encouraged and supported by the Keating government, managed to carry most states and territories of Australia into the process.

The reform process was taken up with particular vigour here in Victoria under the Kennett government; but we also saw governments of all political persuasions institute reform of some of the lumbering and bureaucratic utilities that had built up over the years. A Labor government Treasurer and Premier of New South Wales attempted to privatise the energy sector and the electricity industry in that state only to be thwarted by sections of the Labor Party and the trade union movement. We have also seen significant reforms throughout Australia by governments both state and federal, particularly under the federal Howard government, to bring fiscal responsibility back into the government sector to eliminate the chronic deficits and the overhang of debt that had so impeded growth and prosperity in Australia. The federal coalition government and to a lesser extent state governments have also reformed the labour market.

In addition, as well as legislative change we have seen an attitudinal change among Australians. We have realised we have to get rid of a lot of the old barriers and restrictions and focus on being productive and making our way in the world.

All those factors taken together have delivered what in historical terms has been a period of remarkable prosperity in Australia. We all recall former Prime Minister Keating talking quarter after quarter about the number of successive periods of unbroken economic growth that Australia has enjoyed. Similarly we have seen with the current federal government, with the one exception of the December quarter of last year, continued economic growth. We have seen with the rebound of economic growth in the last two quarters that the December quarter last year was due primarily to a timing factor in relation to the GST which in no way detracted from the ongoing strength of the Australian economy.

It is important to say all those things to remind this house and Australians generally that the benefits we have enjoyed over the last decade or so have not occurred by good luck but are due to a series of reforms, both macroeconomic and microeconomic. The benefits we have enjoyed will not continue, however, if we start to turn our backs on the good and beneficial things that have been done — particularly if interest rates start to rise due to government deficits or if restrictions and impediments and bureaucracy start to choke up our major utilities and the infrastructure providers.

That is not to say, of course, that there is not always scope to look for better ways to achieve an equitable distribution of the benefits of industry reform, but we have to be very careful not to cut away the very factors that have delivered those benefits in the first place. It is important also that we do not allow equivocation or ambiguity on the part of government to send the wrong signals about the degree of commitment that governments of both persuasions have to the reform process.

As I said at the outset, at a state level the Labor Party has now undertaken a remarkable policy U-turn that is hopefully for the better. I certainly hope, as I will elaborate on in a moment, that when he makes his contribution the honourable member for Dandenong North will confirm that there has been a change of heart

on the government's part. If the government tries to pretend it has not changed its mind at all, that is going to detract from effective regulation and will send many wrong signals.

It is striking to look back at how much at the Victorian level the Australian Labor Party has been out of trend with the national reform movement. I refer in particular to the fact that when the Kennett government started work on such centralised, lumbering, bureaucratic and expensive institutions as the State Electricity Commission of Victoria and the Gas and Fuel Corporation and began to restructure and reform them in line with bipartisan national competition policy, that reform process was opposed by state Labor every step of the way.

To make that point it is worth citing a set of remarks made by the honourable member for Broadmeadows, the then Leader of the Opposition and now the Treasurer. In the debate on the Electricity Industry (Further Amendment) Bill on 24 November 1994 the honourable member said:

> The bill introduces further significant changes to the electricity industry in Victoria, and the opposition will oppose it. The bill has three major purposes. The first is to split Generation Victoria into five separate generation companies. The second is to introduce an energy levy ostensibly to cover any difference between pool prices and the price paid under the contract with Mission Energy Loy Yang B. The third is to introduce a franchise fee payable by distribution companies to reflect the value of franchises over domestic and small electricity users awarded to distribution companies.

Now we come to the — —

Mr Steggall — Pièce de résistance.

Mr CLARK — This is the pièce de résistance, as the honourable member for Swan Hill puts it, of what the honourable member had to say:

> The bottom line of this legislation is that it represents a further step along the path that will prove without doubt that we have a Treasurer in this state who does not understand the electricity industry, a Treasurer who will go down in history as the years pass by as the person who destroyed Victoria's electricity industry. We assert strongly and vigorously that the changes that are being made in this legislation are not in the best interests of Victorians; they are not logical, sustainable or justifiable and will not produce benefits for Victorians. In no other state in Australia are such changes being introduced or contemplated.

At that point the honourable member for Morwell interjected:

> Nowhere in the world.

The honourable member for Broadmeadows, the then Leader of the Opposition, continued:

> Indeed, nowhere in the world. One can look at what happened in Britain and the United States of America, but no government in the world is as stupid as this government in the way it misunderstands the electricity industry by breaking up the distribution components into little bits and then breaks up the generation components into little bits.

That is exactly what the previous government did; it is exactly the regime that the present government inherited; and it is exactly the regime that the present government is continuing. So my case rests. We are not now seeing the Treasurer in his second-reading speech condemning this structure. Indeed, he is doing his best to get behind it, saying he is supporting it and wants to encourage the private sector to invest in Victoria.

Members of the Labor Party then moved on to a second stage, which was to hold their hands on their hearts and say, 'We'd love to reverse it all, but we really can't do anything about it even though that's what we'd like to do. So instead we're going to bring in tough new regulations to keep this wicked private sector under control. We're going to introduce an Essential Services Commission, with sweeping powers to regulate the sector and protect the public'.

Although Labor put its promises in various forms, the most striking and succinct promise is the one put in a document called 'Labor: new solutions' and published on its web site. I believe it also formed part of a little business card-sized note that the honourable member for Dandenong North is kindly demonstrating to the house.

The fourth of the six pledges that were made was:

> Guarantee reliable supplies of gas, water and electricity through an Essential Services Commission with tough new powers.

I note that this is in fact a pledge; it is not just a promise. It echoes the words of former Premier John Cain about the prices pledge, it is not just a promise, it is a pledge — 'Not a penny more', as Mr Cain said. This is a pledge that Labor will:

> Guarantee reliable supplies of gas, water and electricity through an Essential Services Commission with tough new powers.

That is what the promise was, and it is against that promise that the bill now before the house needs to be assessed, because it does not deliver on it. Instead the bill gives us a transmuted Office of the Regulator-General, but with higher costs, more bureaucracy and more process.

What conclusions are we to draw from Labor's U-turn on this issue? Has it seen the light? Have Labor members realised, now that they are in government, that the low cost of electricity has created jobs for thousands of Victorians and generated export-making potential through plants such as Toyota, which have taken advantage of low electricity prices? Have they realised that if the privatisation process of the previous government had not occurred they would probably be facing an annual interest bill in the budget of around $2 billion rather than the $500 million or so that is currently being spent on interest? Have they realised that that is money that would not be available to pay teachers, police, nurses or other services for the public? Have they realised all those things?

Have they realised the extent to which prices have fallen under the restructured and privatised regime? According to the information I have, for household users average retail electricity prices, expressed in 1999–2000 dollars, have decreased from 14.05 cents per kilowatt hour at the commencement of privatisation to 12.93 cents per kilowatt hour in 1998–99, a fall of 8 per cent in real terms. Even if there is some swing back on that price level, there are still substantial benefits to households. The benefits for commercial users have been even greater, with prices falling in real terms from 13.98 cents per kilowatt hour in 1993–94 to 7.96 cents per kilowatt in 1998–99, a fall of 43 per cent, the sort of fall that has generated the export jobs and opportunities that I referred to.

Have they realised that total average retail prices in real terms have fallen from 10.76 cents per kilowatt hour in 1993–94 to 9.68 cents per kilowatt hour in 1998–99, a decline of around 10 per cent? Have they realised that there has been a remarkable improvement in reliability over the period of industry reform, with unplanned and planned outages declining from approximately 54 000 in 1995 to approximately 31 000 in 1999? Have they realised all of these things? Are they now going to admit that by saying, 'We were wrong. The reforms of the previous government were moving in the right direction, and we now accept them and embrace them.'?

It is perfectly legitimate for political parties to change their minds on policy issues. Certainly we on this side of the house changed our minds on the issue of common-law legal actions under Workcover. We looked at it every which way and decided that in the end it was a much fairer way to go, for both workers and employers, to have a guaranteed no-fault system. We came out and said, 'Right, we have changed our minds. We accept what many in the labour movement have previously been arguing for and we are now convinced that that is the direction to go in'. So it is perfectly in order for members of a party to say, 'Yes, we have changed our minds'.

I look forward to hearing the remarks of the parliamentary secretary, the honourable member for Dandenong North, in his contribution to the debate, and whether he will say, 'We have changed our minds on this issue. We do accept that a disaggregated, competitive, privately owned energy sector is the way to go', or whether he will instead try to argue in some contorted way that this bill in fact implements Labor's policy of tough new regulation. I certainly hope he will not do the latter, because that will leave the government and the community trapped in a mire of ambiguity and humbug. It will leave the government hogtied in its capacity to deal with the future regulation of these industry sectors.

But unless the honourable member does stand up and say that there has been a change of heart the public will be entitled to be confirmed in its conclusion that the Labor Party will say and do whatever it thinks is expedient in the circumstances, that what it says can seldom be relied on and that what it has said in the past cannot be taken to be what it truly believes — and nor can what it says in the future.

In considering this bill we need to look not only at the past and learn its lessons but also at the future and what is likely to happen under this bill and under the present Labor government to our regulated industries. As I said at the outset, this bill is largely a bill to replace and reconstitute the Office of the Regulator-General, and most of its provisions are mechanical provisions to do just that: to introduce the Essential Services Commission and to make provision for the structure, power, objectives and functions of the commission, in many instances paralleling corresponding provisions relating to the Office of the Regulator-General.

There is a change in the legislation to the way the coverage of the Essential Services Commission is specified compared with the Office of the Regulator-General. The bill introduces a new definition of 'essential service', which means:

> a service (including the supply of goods) provided by —
>
> (a) the electricity industry;
>
> (b) the gas industry;
>
> (c) the ports industry;
>
> (d) the grain handling industry;
>
> (e) the rail industry;
>
> (f) the water industry;

(g) any other industry prescribed for the purpose of this definition;

If an industry is prescribed by regulation for the purpose of this definition, by order in council, following similar provisions in the Office of the Regulator-General Act, the government can declare such an industry — that is, an industry providing an essential service — to be a regulated industry and prescribe the prices, goods and services of that industry which may be regulated. I should add that that order in council power does not apply to the electricity, gas, railway or tram industries, which are already under specified regulatory regimes.

The bill provides that in future it will be the government rather than the Essential Services Commission that makes a decision, after an Essential Services Commission inquiry, on whether or not a particular grain handling facility or port service will continue to be regulated or will commence to be regulated.

The bill provides for licensing of port service providers and grain handling bodies and the payment of a licence fee, and provides for the imposition of a licence surcharge on water entities under the Water Industry Act. The bill also changes the mechanics and time lines of panel appeals against regulator decisions. As well it extends enforcement provisions to cover past as well as ongoing contraventions, including a power to require rectification. The bill also increases some of the penalties that apply for non-compliance with enforcement orders.

Let us examine some of the claims the Treasurer has made about this bill and contrast them with the reality. The Treasurer told the house this bill is one with a focus on achieving triple bottom-line outcomes, and that it is a bill that pushes the boundaries of world best practice. However, in those respects, all that the bill does is provide for the Essential Services Commission to talk to other regulators. What it does is duck the critical question about what the balance will be between price regulation, quality regulation and environmental regulation.

We see in the outline of the bill and in the objectives of the Essential Services Commission the provisions the Treasurer has in mind when he makes the assertions to which I referred. But the outline contained in clause 1(2) simply talks about requiring the commission to publish a charter of consultation and regulatory practice. It sets out the process for consultation between the commission and prescribed agencies; and it provides for the commission to enter into memoranda of understanding with prescribed regulators. If we go to clause 8(2)(e) of the bill, we see that one of the facilitating objectives of the Essential Services Commission is:

> to ensure that regulatory decision making has regard to the relevant health, safety, environmental and social legislation applying to the regulated industry.

All that is fine and well as far as it goes. I would have thought it was something that went without saying, that it would not need to be put in an act of Parliament to have a well organised regulator do all those things. You would certainly expect in any event that regulators would talk to each other about what they were doing.

The Essential Services Commission will also take into account the cost of various other pieces of regulatory legislation when it is setting the prices that it permits to be charged. That is referred to in clause 33(3)(c) of the bill, which says:

> In making a determination under this section, the Commission must have regard to —
>
> …
>
> (c) the cost of complying with relevant health, safety, environmental and social legislation applying to the regulated industry;

That also is all very well as far as it goes, but the critical question is what the trade-offs are going to be between price levels, quality standards and environmental standards.

It is an issue that has been vexing regulators around the world. It has been the subject of much discussion in the United Kingdom in relation to its regulatory regime; and it raises important policy considerations because questions of quality and environmental standards cannot be decided without cost. The community as a whole has to make a decision on whether those trade-offs will be decided at governmental level through the political and public debate process, whether there will be a process of resolution of these issues between the regulators, or whether there will be a default provision that various regulatory imperatives or objectives rank higher than others.

I think the latter will be the outcome here by default, that in effect those regulators who have responsibility for aspects of the industry outside the scope of the Essential Services Commission will set their standards and rules and then the Essential Services Commission will take those as givens and make its allowances about pricing accordingly. If that is the trade-off the government wants to allow, let it come out and say that that is the decision it has made. But for heaven's sake let it not come into the house and say this is a bill that

focuses on achieving triple bottom-line outcomes, because if you want to look for triple bottom-line outcomes you have to make sure that the three lines line up rather than crisscrossing with each other, as is likely to happen under the regime proposed by the bill. Also, let it not tell the house it is world best practice because it does not take the debate any further than it already is in terms of tackling these sorts of issues.

The Treasurer also said in introducing the bill that it contains strong incentives for optimal long-term investment and that it will provide greater certainty and predictability for long-term investment. All these are very worthy aims; they are aims which the industry regards as very important. They are aims that the industry fears have been under threat, and they are aims that it believes need to be strongly spelt out in order to give confidence and certainty to the industry so that it is prepared to make the long-term investments the Treasurer refers to.

All these aims are very good, but what does the bill do about giving effect to them? The bill includes the term 'long-term' in one of the facilitating objectives of the commission as set out in clause 8(2). It states:

> In seeking to achieve its primary objective, the Commission must have regard to the following facilitating objectives —
>
> (a) to facilitate efficiency in regulated industries and the incentive for efficient long-term investment;

It is nice to see it put in there as an objective, but it does very little to give industry the sort of confidence it is looking for on this score. It is just one of seven facilitating objectives, which are all subordinate to the overall objective of protecting the long-term interests of Victorian consumers with regard to the price, quality and reliability of essential services as set out in clause 8(1). This does very little at all to give industry the sort of certainty and assurance it is looking for.

The Treasurer told the house that this bill will provide more effective regulatory oversight of reliability of supply. This comes back to the pledge to Victorians about guaranteeing reliable supplies, which was made by the Labor Party during the election campaign and to which I referred earlier. However, when one looks at the bill it becomes apparent again that it does very little to give effect to the Treasurer's rhetoric. What does it do? It has a reference in its objectives to reliability of supply, and it provides a power for the conduct of inquiries. That is again typical of this government's approach. Labor's perpetual answer to problems is, 'Don't let's fix it. Don't do something to solve the problem. Instead let's have an inquiry'.

Clause 10 states that one function of the commission is:

> (c) when requested by the Minister to do so, to conduct an inquiry into any systematic reliability of supply issues related to a regulated industry or other essential service specified by the Minister in the request;

The question has to be asked, 'What does that add to the inquiry powers that are already present in part 5 of the bill, which in turn parallel those already set out in part 4 of the Office of the Regulator-General Act 1994?'. In other words the government has singled out the reliability of supply point, created a separate paragraph relating to it, included reference to it in the objectives of the commission in clause 8(1) and said to the world, 'Look, aren't we wonderful — we have tackled this problem of reliability of supply, put reference to it in the legislation and given the Essential Services Commission the power to have an inquiry, so don't worry about it. We have tackled the problem. We are onto it'.

This is complete and utter window-dressing. Even without those provisions the minister would have power under clause 41 of the bill to ask the Essential Services Commission to hold an inquiry into the reliability of supply. It certainly does not need an extra paragraph to do that, and more importantly, simply having the power to have an inquiry does not fix the problem, because you then have to ask yourself what happens when the commission holds this inquiry. Where will that lead? How will that produce greater security or reliability of supply?

If we go through the relevant provisions in the bill relating to inquiries we see that a report comes out of having an inquiry, and under clause 45 the minister is required within seven days to lay the final report before each house of Parliament and ensure that a copy is available for public inspection. That is the end of the process — we will have a report. What does that do about providing reliability of supply? What answers will the government get? What sort of action does it expect it might need to take after it receives a report from the Essential Services Commission?

There is a further point that needs to be made on this issue. There is a subtle linguistic ploy being perpetuated as part of this debate. I will be most interested to see what the honourable member for Dandenong North has to say about it. The discussion paper issued by the government in June draws a distinction between two different terms: 'reliability of supply' and 'security of supply'. At page 20 the paper defines 'reliability of supply' to be the 'standard of delivery of the product'. The papers uses the term 'security of supply' to refer to an 'overall balance between supply and demand'.

On my reading of the paper, if a possum on power lines causes an interruption to supply the Labor Party will be able to cope with it because it can blame someone else for the problem and expect someone else to fix it. However, if union black bans in the Latrobe Valley cut supply or if Labor's red tape and indecision mean that new generators are not being built as required and that leads to blackouts or rationing over summer, Labor will not be able to cope with it because it is something it has to fix itself. Because it is something it cannot cope with, it is not included in the term 'reliability of supply' but instead is included in the term 'security of supply', which is completely different.

I will look forward to hearing what the honourable member for Dandenong North has to say on the subject of whether or not the government is redefining its pledge. Is Labor redefining the term 'reliable', so that when it promised 'reliable' supplies it just meant that it would keep possums off the powerlines or tell the industry utilities to do so and have them punished if they did not? Are Labor members suggesting that 'reliability of supply' means that there can still be blackouts over summer due to union action or a lack of generator capacity, because that is not reliability of supply but security of supply? Does the government mean that it will only guarantee reliability of supply and not security?

If the government does decide to follow the course that appears to be charted for it in the proposal paper of June, then the public is not going to accept it — and it will be fully entitled not to do so. The public is entitled to draw the conclusion that when the Labor Party pledged that it would guarantee reliable supplies of gas, water and electricity, it meant that it would guarantee that people would not be subjected to blackouts, power rationing or similar restrictions.

The Victorian public is entitled to expect that from 1 January next year, when this bill comes into force, the Labor Party will deliver on its pledge. If there are interruptions to supply or blackouts and restrictions beyond that date, then the public will be entitled to conclude that the Labor Party has breached its pledge to guarantee reliable supplies to Victorians.

Another attribute of the legislation that the Treasurer referred to in his second-reading speech was that it would enhance accountability in and the transparency of regulatory decision making. However, I submit that while the legislation has a lot of process provisions about charters of consultation et cetera, at the end of the day these do very little to provide accountability and transparency in regulatory decision making. That depends on how the regulator actually goes about conducting the regulatory process. One complaint that the opposition is receiving from those in the industry is that the current regulator has not recently been doing so. They are fearful that the new regulator will also not be open in responding to the arguments that are put in submissions.

The industry argues that it puts a lot of time and effort into detailed submissions and arguments. The industry says that a federal authority — such as the Australian Competition and Consumer Commission — will respond in detail to the points raised in submissions, and if an argument is not accepted then at least the industry is told why it is not accepted. The industry argues that the Victorian regulators have not been doing that. They have simply been ignoring arguments that do not suit them, without rebutting them.

In a sense it is a problem, even if it is simply an industry perception. I am not in a position to express an independent judgment on that, because I have not examined blow by blow the various submissions and responses that the Regulator-General has been giving in recent years. However, the mere fact that the industry has that concern is itself a problem, because it undermines industry confidence in the process. While the bill outlines all these procedures that are to be followed, it does not address that issue, and therefore it does not do what the Treasurer said it would do. One would certainly hope that the Essential Services Commission will respond to those sorts of concerns and will make sure that the industry does have confidence that its submissions are being given a hearing and that its arguments are being responded to. That is something outside this legislation that has to be relied on.

In his speech, the Treasurer also extolled the virtues of the new consumer utilities advocacy centre that is going to be set up in conjunction with this legislation. He did not tell us a lot about it, and I have not been able to find a lot about it on the public record. It is referred to on page 25 of the June proposal paper, and it may be that there is more information in the public arena. Maybe the honourable member for Dandenong North can tell the house more about it. There are a lot of unanswered questions about this advocacy centre. How will it be constituted? Who will its members be? How independent of government will it be? How representative of consumers will it be? How democratic will its processes be?

There are a number of people who feel passionately about consumer and energy issues and who devote a lot of time and energy to the subject. They often have good insights into the industry, but they also have their own perspectives, biases, views and objectives. It would be

unfortunate if this utilities advocacy centre simply became a hang-out for industry advocates and for those who had a crusade to follow or a cause to push about utilities. If it is to be genuinely representative of consumers, we want its membership drawn from a broad cross-section of the community and from people who are genuine consumers and who are primarily involved in that capacity rather than in their capacity as people who have a cause to advocate.

We need a whole lot of answers on these questions, because if the advocacy centre is to have credibility, it must not be composed only of people who are enthusiasts of the subject. It must be open, representative and independent. I suggest to the government that it consider a novel approach, such as having a form of random draw for part of its membership. In other words, there is a chance for Mr and Mrs Smith, suburban consumers who are willing to spend a bit of time on the subject, to be chosen at random as members of the centre rather than simply those who rush forward because they have a passionate interest in the subject.

The consultation process that was followed to bring this legislation to the Parliament was another aspect referred to by the Treasurer in his second-reading speech. The Treasurer outlined the consultation paper of July 2000 and the proposal paper of June this year and said that refinements were made to the legislation as part of that process. I am fearful that the consultation process has been what I might refer to as Kirner consultation, where you know in advance the outcomes you want to achieve and where you go through the process and end up doing what you wanted to do in the first place. There is a degree of dissatisfaction in the industry about this process because it says it has put a lot of work, experience and effort into making submissions to the process and that not much notice was taken of the points it made.

I referred earlier to the reference to 'long-term' that has been included in clause 8(2). I have not been able to find a great deal more that has been changed between the exposure draft of June and the bill before the house. I note the inclusion of clause 10(f) in relation to education campaigns and a few other minor drafting changes, but not a lot has changed as a result of the process.

I next refer to the funding of the Essential Services Commission and the related issue of its costs. In his second-reading speech the Treasurer said that the Essential Services Commission will be co-funded by the government and industry on an equitable and transparent basis. What does that mean? What constitutes an equitable and transparent basis for funding? From what I can see, the government intends to put in out of general revenue the set-up costs of the Essential Services Commission, by which I presume it means the costs of translation between the Office of the Regulator-General and the Essential Services Commission, but that the regulated businesses and entities will contribute to the rest of the cost.

In principle, cost recovery from industry is reasonable. If it is conducted properly it is an attribution of cost to the parties to which that cost relates rather than to the general taxpayer. There may be a question about externalities and public benefit and whether on account of that a certain proportion may be better provided by the taxpayer, but in principle, cost recovery is a reasonable notion. However, it will be unreasonable if the process followed is that the Essential Services Commission spends what it likes and the bill is simply divvied up and allocated out among the regulated industries. In other words, from the regulator's view whatever it spends is fine by the government; someone else will pay for it; there is no pressure on it to contain costs and not overburden the industry.

Debate interrupted.

DISTINGUISHED VISITORS

The ACTING SPEAKER (Mr Kilgour) — Order! On behalf of the Victorian Parliament I welcome a delegation from the Zimbabwean Parliament led by Roy Bennet, MP. I hope the delegation enjoys its trip to Australia and particularly its visit to the Victorian Parliament. I am sorry that there are not more honourable members present in the chamber to welcome the delegation, but I am sure it understands that in this legislative process there are people doing other things. On behalf of the Victorian Parliament, welcome.

Debate resumed.

Mr CLARK — I am sure that those honourable members who are in the chamber will do their best to show the Victorian Parliament to good effect.

The point I was making was that cost recovery cannot be treated just as a blank cheque to be picked up by the industry because at the end of the day consumers will pay that cost. The regulation cost will feed through into electricity bills, gas bills, water bills and port charges and into grain and handling charges. The government has a responsibility to ensure that the costs imposed on industry are fair and reasonable and that a suitable

tension is imposed on the regulator to justify and keep under control the costs that it incurs.

When we look at the available figures on cost regulation and cost levels we can see a worrying trend towards an increase. According to the June proposal paper, cost recovery was at $4.1 million in the year 2000–01. It is expected to be at $13.7 million in 2001–02, which includes what are referred to as one-off costs of the promotion of full retail competition which are put at $5.2 million. However, on my reckoning that still means that the non one-off costs, if I can put it that way, are expected to be $8.5 million this year in terms of the amount that is recovered from industry contributions. Since the government has said it will pay for the transitional costs of moving from the Regulator-General to the Essential Services Commission, that $8.5 million cost would not seem to be due to that factor. I hope the honourable member for Dandenong North in his contribution will address this issue of cost and provide more information to the house to bear out the proposition put by the Treasurer in his speech that costs were expected to decline in the future.

The final issue referred to by the Treasurer that I will touch on is related to the membership of the Essential Services Commission and how decisions are to be made. The Treasurer told the house that where feasible the Essential Services Commission will include all statutory office-holders in collective decision making. The phrase 'where feasible' struck me as being a bit odd. I therefore turned to the relevant provisions of the bill to see exactly what it provides. The relevant provisions appear to be clauses 28 and 29, which seem to contain some ambiguity. Clause 28(3) provides:

> Subject to section 30(2), the quorum for a meeting of the Commission is a majority of the Commissioners in office for the time being other than any additional Commissioner to whom section 29(2) applies.

Proposed section 29(2) provides for the appointment of additional commissioners who are restricted to a particular inquiry or determination. Clause 30(2) states:

> The quorum for a meeting of the Commission at which a determination is to be made in respect of which section 29(2) applies —

in other words, where a commissioner has been appointed for a particular purpose —

> must include the Commissioner or Commissioners appointed for the purposes of the particular inquiry or determination.

The question then arises of who must be in the quorum in those instances. Is the bill saying that every one of the additional commissioners appointed for a particular inquiry or determination must be included in the quorum or is it simply saying that a majority of those must be included? In other words is the intention that the total number of commissioners who are relevant are put in the count and the quorum is the majority of those? In a sense it is a small point but it is not one that any uncertainty should remain over because there would then be uncertainty as to whether the commission had validly made its decision.

I move on to some other issues that the bill raises which were not referred to by the Treasurer in his speech but which are nonetheless significant. Indeed they may be more significant because of the fact that the Treasurer has not addressed them. The first is the change to the scope of potential coverage of the Essential Services Commission compared with the Office of the Regulator-General. As I referred to earlier, the way the bill operates is that it defines as an essential service a service including the supply of goods provided by specified industries or by 'any other industry prescribed for the purpose of this definition'. In other words, new industries can be prescribed as providing essential services, and those new industries can be prescribed by regulation. Once they are prescribed all of the services provided by those industries, whether or not they are in any sense essential, can be regulated so long as the Governor in Council so declares having regard to the various factors specified in clause 4(1).

This approach contrasts with that followed in the Office of Regulator-General Act, where industries become regulated because they are specified to be relevant industries in legislation. We are moving from a situation where legislation makes an industry subject to regulation to a situation where a regulation can bring an industry under coverage. I hope the honourable member for Dandenong North will say something about the government's intentions in that regard because it is an open-ended power.

If, for example, the government concluded that the supply of Australian Football League Grand Final tickets was an essential service because it was vital for the morale and confidence of Victoria and it was essential that the public had confidence in the way that grand final tickets were allocated, then the government could make a regulation prescribing the industry of Australian football as being one providing an essential service under paragraph (g) of the definition of an essential service in clause 3. Once that regulation was made the Governor in Council could then regulate any aspect of football in Victoria. The government is seeking a very sweeping power from the Parliament that needs to be exercised responsibly. The Parliament is entitled to ask the government for an indication of its intentions.

A further aspect of the bill that should also be flagged is the coverage of the water industry. Paragraph (f) of the definition of an essential service simply specifies the water industry as one of the industries providing services which are essential. This gives the government the power to declare a whole range of services and activities of the water industry to be regulated and allow prices and goods and services to be prescribed. This has been referred to in the house over the past few days, and my colleagues will take up the point further during the course of debate. Members of this house and the public are entitled to expect a full and detailed account of the extent to which the government intends to extend regulation to new sectors of the water industry, particularly rural and non-metropolitan water authorities. They are also entitled to call on the government to pay close attention to whatever regime it decides to establish, if it determines to go down the path of extending the Essential Services Commission regulation to the entire water industry.

The next issue I want to touch on is education campaigns. I have referred previously to the provision in clause 10(f) that a function of the commission is to conduct public education campaigns for the purpose of promoting its objectives under the bill and the relevant legislation and about significant changes in the regulation of a regulated industry. This provision was inserted into the bill after the exposure draft was issued and before the bill came to the house.

In one sense those sorts of campaigns can be perfectly appropriate, but there is a question of whether there is a potential for them to be misused by the government as a vehicle for propagating a line of political argument. Some of the transport companies have issued glossy and glowing brochures about what they are doing, which just happen to feature prominent photos of the Minister for Transport and a few choice words from him delivering a political message. It would be hoped that the independence and the non-political nature of the Essential Services Commission will not be compromised by having partisan political messages or photographs of the Treasurer, the Minister for Finance or other government ministers featured in commission's literature.

We are also entitled to ask what the budget will be for these education campaigns. We are also entitled to expect that in its annual report the Essential Services Commission will spell out what funds are being devoted to the purposes of these campaigns, because they are campaigns that ultimately the consumers of the services provided by these regulated industries will pay for.

Merit-based appeals are another issue that has been the subject of hot debate. A number of industry parties are concerned about the absence of merit-based appeals. It is important that the industry has confidence in the system and in the justice and fairness of the determinations of the regulators. Merit-based appeals to courts are not necessarily the answer: they were certainly not included as the answer in the Office of the Regulator-General Act, and they are not included as an answer in the bill before the house. However, as I said earlier in relation to the industry's concerns about how its submissions are being handled by the regulatory authorities, it is important that the parties believe they are getting just and fair decisions from the regulators, that their arguments are being addressed and that they have an opportunity to have their points reviewed. It will be important for the administration of the appeal system and the appeal panels that the government makes sure the industry has confidence in the process.

Other issues raised by the legislation include the government's decision that it, rather than the regulator, will decide whether or not grain handling or port services will be regulated or will continue to be regulated. If the government is going to make that a decision of public policy, as it were, then it will have to ensure that it reaches that decision openly and justifiably and that it comes up with fair results.

The bill also provides for an extension of the licensing provisions to cover fees or surcharges for the grain handling, ports and water industries, so these bodies will now be making payments that they have not been required to make in the past. As I said earlier, it will be important to ensure that the charges imposed on those industry sectors are fair and reasonable and that they and their customers do not end up bearing the cost of bureaucratic bloat.

Some other issues that also need to be addressed given the way the bill is being proposed include areas that have been neglected by the current government. One such area is power blackouts and power shortages. The government was poorly prepared to handle the power shortages that arose last summer. It was willing to blame everyone else but itself; it lagged behind the South Australian government in responding to the situation; it left power restrictions on longer than it needed to; and it then had the temerity to suggest that it was someone else's fault that electricity was being sent north when the government's own power restrictions prevented it being consumed in Victoria. In short, the government was not on top of the situation at all, and it has shown since that it has very little understanding of the industry and of industry regulation.

Parties are getting concerned about the delays and about the government's lack of decisiveness and its increasingly heavy-handed regulation. That is putting at risk the willingness of the private sector to invest in Victorian-regulated industries. That does not augur well for jobs, investment or domestic consumers.

Industry is concerned that Victoria has moved from a proposed light-handed, incentive-based regulatory approach to a very intrusive cost-based and rate-of-return-based approach. Under the regime established by the previous government, as reflected in the tariff order, it was intended that regulation be incentive based. There are many different regulatory models for the way in which regulation can be applied, but one of the key factors is the need to base price determination, as far as it is possible, on factors external to the parties being regulated rather than on factors that are under their control. If a regulator simply responds to what the parties being regulated do and adjusts prices up or down in light of whatever efficiency gains they achieve, it takes away the incentive to perform more efficiently.

Inevitably regulators around the world tend to stray in the direction of ever-increasing regulation. The onus is on governments of all persuasions to be on the alert for that and to respond to it, both in the arguments that they put to regulators as part of any government submission to an inquiry or review process and in any refinements to the legislative regime that it might ask Parliament to make from time to time.

The Treasurer has been making noises about this, and he had a few turns of phrase about it in his second-reading speech. However, it is one thing to say something in a second-reading speech and another to make sure it happens. Ever-increasing regulation will be a growing worry for industry. That is not just something that the opposition is saying, and it is not just something that those parties directly involved in regulated industries are saying. It is also something that representative bodies such as the Australian Council for Infrastructure Development (Auscid) are saying. Auscid is a body for which I understand the government has a degree of respect, and I understand that the chairman of Auscid is a member of the government's infrastructure planning council. However, the chief executive officer of Auscid is reported in the September 2001 edition of the magazine *Electricity Supply* along the following lines:

> Dennis O'Neill, CEO of the Australian Council for Infrastructure Development (Auscid), is more critical of the investment climate in Victoria.
>
> O'Neill says governments in Australia must accept some responsibility for what has happened in regulatory management, not only in the energy industry but also in other areas of infrastructure development.
>
> 'They need to recognise that Australian governments are getting a bad reputation among overseas investors', he opines. 'There is not enough money in this country in the private sector to fund all of the infrastructure that is going to be needed in the next few years, so that will mean government involvement and public debt which the country cannot afford'.

Later he is reported as saying:

> O'Neill claims overseas and domestic investors are about to revolt against overregulation.
>
> 'A number of Australian funds involved in infrastructure projects have indicated that they are no longer interested in investing in regulated businesses here', O'Neill says.

So there is a big concern in this area, and it is a concern that has been echoed by the Productivity Commission. It is a concern that the government also needs to be on top of and respond to if we are to see the private sector willing to invest here in projects that will be completed in a timely manner rather than dragging on to a point where shortages and bottlenecks start emerging.

Another issue that is coming out of New South Wales is the pooling arrangements for electricity tariffs which the New South Wales Labor government has introduced. Many analysts believe those arrangements undermine the incentive for generators to act and bid competitively in the electricity pool and therefore undermine the integrity of the national market and tend to push prices up, to the disadvantage of Victorian consumers.

The question needs to be asked: what are the Treasurer and the government doing about that? Are they just going to sit back and let the regime their New South Wales colleagues have imposed continue? Are they going to take action to get them to return to a more competitive and truly national market?

What is the government doing to sort out the problems that parties seeking to build new generators are having? The government has been proud to announce and claim credit for proposals for new generators, but we are now finding that the siting of those proposals is creating conflict with local communities. There are allegations that siting selection has been poor and that local communities will suffer as a result.

The government cannot just wash its hands of these issues because there are competing public interests between the need for new generation capacity and the importance of proper planning and regard to

environmental considerations. A proactive government that was genuinely looking to work with industry and the private sector would be looking to help generation companies, just as it looks to help other companies that are looking to locate and create facilities in Victoria, to find suitable sites, to resolve environmental concerns and to achieve win-win outcomes that benefit the broader community while being acceptable at a local level on planning and environmental grounds. Again the government needs to be proactive about that rather than standing back and letting it all happen.

The final point I mention relates to the review the bill proposes will be conducted in several years time under clause 66. The government has not said a great deal about this review except that it is not expected to result in a great deal of change. However, it is an important review that is to be conducted within five years of 1 January 2002 to look at whether the objectives of the proposed act and the commission are being achieved and are still appropriate, and whether the proposed act is effective or needs to be amended.

This house is entitled to ask for some explanation as to who is going to conduct the review. Is it going to be independent of government or is it simply going to be conducted by the Department of Treasury and Finance at an officer level? What opportunity will there be for input by interested parties? Ongoing review is important. As I referred to earlier, there is often tension involved in regulatory processes, and governments cannot just set them and forget them. Governments need to keep an eye on what is going on and ensure that legitimate public policy objectives are being achieved.

In conclusion, it is welcome that Labor has finally in fact, if not in what it says, acknowledged the merits of the reforms that were undertaken by the previous government of many of our former inefficient and bureaucratic utility industries, and that the reforms that were undertaken as part of an ongoing bipartisan national process over the last two decades which has delivered considerable benefits to Australians, put our economy in a healthy position and generated prosperity. Hopefully the government will admit that it has changed its mind, admit that it had got it wrong and admit that it now supports the direction that was taken by the previous government under Liberal Party policy.

However, even if the government does accept such changes, what we see with this bill and the government's handling in practice of the regulation of the utility industry since it came to office is that while the government might start to have some understanding of the merits of what has been done previously it still cannot deliver on it. It does not understand it — it does not have the background, the experience or the ability. As in so many aspects of what this government does, it is not focused on results, it is focused on inquiries and procedures. 'Never mind the outcomes, feel the process' might well be the slogan of the government.

What this bill delivers is a step in the wrong direction. It is a step towards more bureaucracy, more red tape, more delay in new facilities, more delay in innovations, more risks to supply and more costs to consumers.

Mr STEGGALL (Swan Hill) — I thank the honourable member for Box Hill for taking us through the Essential Services Commission Bill in such fine detail and explaining many of its finer points to the house. That is something that none of us who follow needs to go back and do.

This is probably the first industry reform bill, yet it is not a reform but a continuation of what was with a few more bureaucratic structures being put in place. As the honourable member for Box Hill said, it is not going to show us the way to any easier or better process for industry reform.

To see the Labor Party starting to tackle the regulatory process, as we did in government, reminds me of those utilities which were privatised, of the regulatory process that was put in place, of the battles and challenges that we had around the state and of listening to the garbage that came from the Labor Party in opposition. I find that today people are cynical of politicians, particularly the Labor Party in this state, because when it was in opposition it carried on in certain ways that protected its old areas and old ways and criticised enormously those who had enough courage to get out there and make the changes that were absolutely and utterly required.

If you go back to the 1992 era, about 30 to 33 per cent of the state budget was taken up in just servicing the debt, which was growing at an astronomical rate — 24 per cent of the budget was unfunded; remember those days? — and we came in and had to reform utilities and industries. We did it with great battles all over the place. Now the Labor Party is in government we are seeing it starting to bring a few changes into those areas.

This is probably the first time honourable members would have seen the honourable member for Dandenong North, who is supposed to have come into this place as a bit of a big hitter from the Labor Party, on his feet putting a serious position of philosophy and direction in respect of legislation. Those of us who have been very heavily involved in the reform of utilities and the delivery of services in different forms over the last

10 years would hope that from this honourable member we will not have the rhetoric and garbage we get from many of the others.

I said he has been here a couple of years, but this is probably the first time he has had a free run in an important area. It is an area that has given many of us some difficulty over the years, but it is one which this side of the Parliament really tackled hard while in government.

My other comment is that it seemed so easy for the Labor Party in opposition, talking about all the great things it would do and all the promises it had made, and now we see this legislation introduced into the Parliament as part of those promises. The details and technicalities have been gone through by the honourable member for Box Hill and have been noted by the minister, and I am sure many will be responded to.

I would like to move through some of them, including the operation of the legislation, the push for economic regulation and the aim of protecting the interests of all consumers in relation to reliable supplies of gas, water and electricity, including the ports, the grain handlers, the rail industry and the water industry. We will watch with a great deal of interest as the government tries to introduce some of these things. The Treasurer's second-reading speech is interesting — although he must have choked on half the words. If you read his words in the 1990s as the then coalition government moved into these areas, you would realise that he must have had a great deal of difficulty in reading his speech — either that or there is a great deal of hypocrisy in what he said back in the 1990s.

The legislation sets out to introduce a triple bottom line — which the Labor Party likes to talk about — and tries to put a system in place that does everything for everybody. We hope the government is able to achieve some of its aims. But there is the issue of the new regulation which must, according to the Treasurer, ensure optimal investment in infrastructure and enable the industry to be 'well-planned, competitive, efficiently managed' and a benefit to all Victorians.

The honourable member for Box Hill made a telling point when he said that one of the aims of the coalition government was to ensure that it created an atmosphere that attracted people to invest in this state. It is important that the Labor government bears that in mind as it goes about its regulation, because attracting private industry money into the state for the provision of infrastructure is a vital role of government — and it is one which the Labor Party has not had a great deal of success in achieving in previous years. Indeed, through the 1980s the opposite was true. People ran away — even our own Victorians ran away — because of the manner in which the Labor Party was regulating and running the state. In his second-reading speech the Treasurer said:

> The important initiative will also ensure that regulation of utilities in Victoria is consistent with the government's four key pillars …

I enjoyed that, because he then gave us five! He said the bill:

> … fosters more accountable, transparent and inclusive decision making;
>
> provides for affordable and reliable services that are available to all Victorians, including low-income and vulnerable groups;
>
> provides for the whole of the state — that is urban, rural and regional users —

I would have hoped that all the things the government brings into this place would provide for the whole of the state —

> to benefit from reforms in the regulation of essential services;
>
> ensures that the ESC operates in a financially disciplined and responsible manner —

That is interesting! Finally, he said the bill:

> … protects the interests of utility consumers by enhancing customer advocacy arrangements.

The honourable member for Box Hill went through those interesting areas in detail, arguing that they add another layer of bureaucracy to the process. Once again the Labor Party shows its desire for consultation which in many ways is a slowing down of the decision-making process. Nevertheless, it is the way the Labor government wishes to operate. The National Party acknowledges that, and we hope that as the government goes through the consultation process it does not lose sight of its responsibility to ensure that regulation and its delivery are done quickly, efficiently and fairly.

The key features of the Essential Services Commission, which the legislation sets up, are supposed to ensure that it delivers on several goals. They include:

> … a focus on achieving triple bottom-line outcomes —

we will talk more of that later —

> through more effective integration of economic regulation with broader environmental and social objectives;

> a regulatory approach that provides strong incentives for optimal long-term investment in infrastructure;
>
> a requirement for memoranda of understanding to be developed and published by regulators;
>
> more effective regulatory oversight over reliability of supply of essential services as they affect Victoria; and
>
> enhanced accountability and transparency of regulatory decision making.

As I mentioned, the bill names several industries — electricity, gas, ports, grain handling, rail and water — and goes on to outline the sections by which those industries will be regulated, some of them in the same way as they are now under the Office of the Regulator-General, with bureaucratic changes imposed on them.

The National Party has had a large debate about the legislation over the past week, because it opens up and exposes some areas we are not happy about. It opens up areas for legislation in particular in the rural and non-metropolitan urban water sectors. We trust that the legislation means that any new regulation in the water sector or any other area will need to be underpinned by new legislation, as stated in the second-reading speech. It is because of that that we will not be opposing the legislation, but we will be giving a sense of our emotions about the areas already mentioned.

Let us run through some of the areas this essential services bill will regulate. Before I go to that, I feel I should make a little comment — —

Mr Cameron — Oh, no!

Mr STEGGALL — I will, because I notice the dairy industry is not mentioned in the bill. Back in the era when John Cain was Premier we had a difficulty with strikes and without hesitation he declared the dairy industry to be an essential service industry and imposed on it a whole range of regulations. It was interesting for us in the country to see a government act on a tanker drivers strike, if I remember rightly, to see dairying become an essential service for the state and to see the government exert all its power and might to impose the regulations needed at that time but then, as other disruptions occurred in our society, to see the government not touch or use the essential services legislation in any way, shape or form. We note that the dairy industry is not involved in the bill before the house, but I dare say if there were a tanker drivers strike Premier Bracks might decide he would like to change that.

The bill carries on the regulation applied to the grain industry. The bill refers to grain handling, but more precisely export grain handling operations. It originated as part of the responsibility of the Office of the Regulator-General when we sold the Grain Elevators Board, which was one of the very successful privatisations of that era that the honourable member for Box Hill detailed. When we privatised the GEB we introduced some legislation because — —

Mr Cameron interjected.

Mr STEGGALL — No, we sold it well and truly, fair and square. The export grain handling regulation was introduced because there was a monopoly. It was understood that the regulation would go when competition arrived in the industry — or at least it was going to be reviewed when that happened. Competition has now arrived but only in Melbourne, not in Geelong or Portland. I hope some resolutions — I guess the grain industry will be one of the first — will be tested out under this legislation. At the moment parts of the grain handling industry are regulated and parts are not.

The question is, 'Should regulation continue or not?'. As we tackle this legislation I advise that a member for Western Province in the other place, the Honourable Roger Hallam, has written to Dr John Tamblyn, the Regulator-General, with regard to this, and I will quote a little of his letter:

> The Essential Services Commission Bill is listed for debate in the Victorian Parliament, and this has prompted even greater interest throughout the industry, particularly given the provision in the bill that the minister is to assume the responsibility for the primary question of whether to continue with regulation … a responsibility which currently resides with you as regulator.

That is one of the subtle changes in the bill, one which we think is an advantage.

> In addition, I can attest that the new provision allowing you as regulator to impose a fee to cover the cost of regulation has not gone unnoticed!

There is also another new bit in the bill.

> I must say that in all of this, there are some pretty basic arguments being advanced, and the most commonly cited runs along the lines that now we have competition in the industry, it should be totally deregulated … and (or so the 'logic' runs) we should achieve that by voting down the ESC bill. (Sounds easy doesn't it!)

But it really would not solve the problem.

> Given the many factors which should be carefully considered in determining the best interests of the main players, and the growers in particular (as highlighted in your recent decision to reject Graincorp's proposed charges for the year 2001–02), it is acknowledged that the review you intend to undertake is the most appropriate forum in which to resolve these issues. I have not only put that view strongly to the industry, but also

> urged the involvement of all, particularly given that the product of your review will become a direct recommendation to government.
>
> However, in all of this, the question of the time taken to complete the review is something of a stumbling block. The second-reading speech commits you only to commence the review in 2002, and the bill requires only that it be completed by June 2003.

I take up the point made many times about this legislation by the honourable member for Box Hill — namely, the dragging out of its time lines. We received a response to the letter. Mr Tamblyn wrote in response to that point:

> However, in light of the competitive and industry developments described above —

which is the introduction of other players into the industry —

> the office is of the strong view to bring forward the three-year review of regulation of the grain handling industry by 12 months. Under this timing, the office would commence its inquiry early in 2002 (i.e. February 2002) with a view to its completion by 30 June next year. This inquiry will primarily examine whether or not regulation should continue for the prescribed grain handling and storage services provided at the ports of Geelong and Portland. In the event that the inquiry recommends the removal of regulation of these services, the office will address implementation issues including early implementation of the recommendations of the inquiry and dispensing with the need for determining defaults charges under the existing regulatory arrangements.

We are pleased that the review will take place quickly next year. The regulation as we have it is ready for this season's harvest, and the review will be completed in time to see whether any changes will be needed for next season. There is a lot of confusion around in the grain industry at the moment, and I am sure my colleagues in the other place will go through that in great detail when the bill goes to the upper house. We are pleased with the review and with the bill, which will push that process along so that the review will take place quickly.

Now I want to go to power and gas. Members of the National Party probably have some different opinions about power and gas because of our bases in the country and where we are and the battles we have. The power industry has not been all that happy with some parts of the bill. It has argued for inclusion of a full merit-based appeal process. That has been formally dismissed by the government on the grounds of cost and delay. The Electricity Supply Association of Australia does not suggest that an amendment be pursued at the peril of the bill. We suggested that would be one of the outcomes if its members wanted to travel along that path. They claim that the denial of merit-based appeal is detrimental to their industry. It is not in the Office of the Regulator-General Act and it is not in this bill.

However, there is one area that should be talked about in this regard and that the industry should take points on. The federal process of regulation includes a merit-based operation. Power and gas supply is a federal issue. It goes across state borders in many places. The former government introduced changes that allowed and have now delivered natural gas to Mildura. I am hoping that it will come further down the Murray. We are trying to match the gas now in Mildura, Echuca and Bendigo so that all the major centres of the north-west will be able to get access to natural gas.

We have electricity going across all our state borders — to and fro in many places — and at the moment there is also the debate going on with Tasmania and Basslink and its introduction, if it ever happens to come in. We have asked members of the industry why they wish to stay with a state-based regulation, for it is a federal industry. The honourable member for Dandenong North might consider this in his contribution. We support the industry approach, that it be included in regulation by the National Competition Council (NCC) with the Victorian sectors which are already there. The grid, the generators and Nemmco are regulated through the national process. It might be an idea for the power industry and the gas industry to consider looking at themselves and start acting as truly national industries.

The other issue of concern for members of the National Party relates to Freight Australia. The issue it has is that it wants to be specifically included in the new regulation process to renegotiate the terms and conditions of rail access charges. The argument has been going on with the Minister for Transport for some time now. Freight Australia argues that the sunk costs should be included in the composition of access charges. Freight Australia has applied to the NCC to have the issue resolved, arguing that the access regime under the Rail Corporations Act is incompatible with NCC regulation and that it should be regulated where this national industry should be.

We have here a factual dispute that has been going on between Freight Australia and the government — particularly with the Minister for Transport, although it existed before he took over — and that dispute should go to an appropriate court and be settled but that has not happened, and so we have this political thing which goes on. Freight Australia has gone to the NCC to see if it can settle the argument. Freight Australia should be at the NCC arguing to come under its regulation. After all, it also is a national industry.

Whatever happens about state rights and Victoria's territorial bits and all the other things that go on — and I will be very interested to hear the comments of the honourable member for Dandenong North on those matters — those of us in the country probably have closer links in many parts with our interstate colleagues. We are dependent on getting interstate cooperation to achieve our gas supply, which we have been working towards with some success, and on trying to achieve better delivery of services throughout all our areas. Maybe it is time that those industries started to consider just where they are and what they should be doing and what is the best way to go, such as: is it best to argue to change a state regulation operation when it is in fact a national one, or should the industries go to the national regulator and argue their case there? The decision is up to them but if they wish to get some resolution, that is what they should be doing.

Then we come to the area of water. The Leader of the National Party rang me one day and said, 'I think you'd better read this bill. I see some of the things I've heard you speak of and I don't know whether you'll like it too much'. So we read the bill and went through it. My first comment would be, 'Why would you do this?'. In certain areas, particularly in rural water but also in the non-metropolitan urban authorities, the situation is good and the process is doing well, with the water service communities involved. It is only 12 years ago that people were marching in the streets every year over water pricing. Today those same people are actually setting the price and the priorities for expenditure, doing their 10, 15 and 20-year planning for all their infrastructure upgrades and growth and at the same time making recommendations, and in fact many of them are setting the price for that industry. Why would you do this?

In the last two days we have asked questions just to make sure that we are reading the minister's second-reading speech correctly. Of course we are. It is the intention of the Labor Party to totally regulate, through the Essential Services Commission, the non-metropolitan urban authorities and the rural water authorities — the irrigation and the stock and domestic authorities — and also to fully regulate the operation of the three metropolitan authorities. You have to wonder why.

We asked those questions and got an answer about national competition policy. The Treasurer said to us, 'We're only doing this because it is national competition policy and we must abide by it'. We had a look at why all of a sudden national competition policy was so important. As all honourable members are aware, national competition policy is getting a bit of scrutiny around Australia at the moment and it was probably a handy time to look at it.

The national competition people will tell us, 'We're trying where possible to make a separation between the service provision and the regulatory enforcement and the price-setting process and to separate that institutionally'. The NCC argues that the three metropolitan retailers, City West Water, South East Water and Yarra Valley Water, should be separated from the operation and come under the Essential Services Commission so that they would set the economic regulation. The bill does not make it clear to us just what economic regulation means and just how far the economic regulator will be asked to regulate the industry. It is dependent on where that goes, and if it was just price it would be one thing but if it is going to be reliability of service, water security, water quality and environmental impacts — the triple bottom line appears everywhere through the bill: it is social, environmental and economic — then it is time this Parliament had another look at some of the things we are talking about here.

The National Competition Council (NCC) is designed to give government advice so that it can achieve that target to some degree. It is not likely that it will be able to find a blueprint for the perfect regulation of these industries, because there is none written anywhere. When you look at Queensland, New South Wales and Victoria you note the different ways they operate, manage, control and contribute from the public purse to these industries. They are all very different, so we wonder just where all this is going.

The Treasurer said that he intends by 1 January 2003 to introduce economic regulation to the water industry in total. The National Party advises that is not a very good way to go. When legislation is introduced along those lines we will most likely argue that with a lot more venom and a lot more feeling than we do on this bill, which is enabling legislation setting up the process.

The national competition policy people are critical of the way the Treasurer and certain ministers react and the powers they have in the process of price, standard and dividend setting and all those things. The National Party understands that. By the way, you do not have to do it this way. There are other methods by which the government would be able to achieve the principles of national competition policy in the metropolitan area. The non-metropolitan urban authorities are also criticised in the NCC documents because of the non-separation of powers, but really it is criticism of the influence ministers have in that regard.

I know there is not very much interest in this matter from the government benches.

Mr Lenders — We're all ears.

Mr STEGGALL — I do not think you are all ears. I doubt whether the honourable member for Dandenong North will cover half the issues that have been raised here today, particularly by the honourable member for Box Hill and me, although I hope he does. As I said, this is a bit of a test for him to see what he has. We would like to see how he goes.

The non-metropolitan urban authorities come under some criticism for the non-separation of their service and price-setting functions. There are other ways and means of doing that apart from just putting all of it into an Essential Services Commission.

I turn now to rural water authorities, which are a little different. As the question asked of the Treasurer by the Leader of the National Party in question time today suggested, the rural water authorities have water service committees. The various rural water authorities throughout Victoria have been amalgamated into five large authorities. They cover irrigation, domestic, stock and other rural water services. Goulburn Murray Water is the largest water authority, using about 77 per cent of Victoria's total requirements.

The rural water authorities have water service committees, which are integral to their service provision. The National Competition Council was advised that these provide a degree of institutional separation. The functions of the water service committees include negotiating district corporate plans and water service agreements; prioritising local investment and replacement programs; involvement in local salinity management plans; and advising on service delivery issues. Issues covered by these committees also include pricing, service availability, performance standards and the mutual expectations of customers in rural water authorities. So the rural water authorities are very different to the others and put in place a separation from the regulation or price-setting process.

We have done a lot of work over the past 12 years to try to achieve this. I refer honourable members to the Water Act changes of 1989 — although they really commenced back in 1983 when the State Rivers and Water Supply Commission was changed and we went to the Rural Water Commission, then the Rural Water Corporation, and then in 1989 to the system we have today. That was a Labor Party initiative, although it suffered 704 amendments to its bill in Parliament. That legislation has worked very well since, and we have done very well.

This bill takes the responsibility away from the minister and from Parliament and puts it with a commission. I wonder why you would take responsibility for a totally owned government enterprise away from this place and put it into the hands of a commission. Why would you do it? The Parliament has a role to play. I do not think the National Competition Council has yet understood just what the role of Parliament is with regard to the accountability and scrutiny of ministers and government.

We have a situation where our water industries have worked very well. As I said, we changed the law to give responsibility to the minister, because responsibility for all these things used to sit with the State Rivers and Water Supply Commission. That worked pretty well from 1904 or thereabouts through to 1983, and then we started making changes to achieve what we have today. We have included all our people in the process, and we have tried to educate management in the use of water and environmental issues. Our country communities are part of the whole box and dice.

In most parts of Victoria, although not all yet, we have been very successful in that. That has been achieved by the participation of the customers of the rural water authorities through those water service committees. The current one which is vital is the Wimmera–Mallee pipeline feasibility committee. That has come from the users of the system, and 11 municipal councils are involved as well; so it has come from the community, the industry, the customers of the organisations and from the Wimmera–Mallee water authority. It is a classic example of how we in the country have tried to manage it and make it operate well.

Why would you take away that structure and put your economic regulation, whatever that might mean, with an Essential Services Commission? The mind boggles. If the government tries to do that, the National Party will fight it at every corner, because it will be a very bad way to go. We are interested to know what economic regulation might mean. The honourable member for Dandenong North may be able to help the house, because the Treasurer did not help us at all to understand what 'economic regulation' means. Of course it means far more than just setting the price.

Targets are set for the returns of our authorities. For the non-metropolitan urban authorities in particular the rate is 4 per cent. In the country we have a zero return agreement for the rural water ones. That was done specifically because those water service committees

were given the task of achieving full cost recovery by next year, and that will be achieved. That will have been achieved not with people marching in the streets or parading banners and belting everyone around the place but through cooperation and planning and an understanding of what we are doing in our industries.

In introducing this legislation the government and the Treasurer are putting the economic regulation of the industry in the hands of the Essential Services Commission. That is wrong, wrong, wrong. If it were not so, why would the Treasurer not have the Essential Services Commission set the taxes and charges for his budget?

Think about that. That is really what you are doing here. Why is it that it is okay for the Treasurer to set his taxes and charges in his budget, but an outside body has to do it for the water industry? What is the difference? I notice the Minister for Transport is in the house — why is Melbourne transport not included in this? Why is it that the Essential Services Commission will not set Melbourne transport charges?

We have a system in place in which the Parliament plays an important role. There has been a lot of argument and discussion and people have been walking around Victoria doing little studies about Parliament. Let me tell you about one of the functions of Parliament with regard to government-owned enterprises. Any government-owned enterprise is the responsibility of a minister — somewhere someone is the minister responsible for setting the charges, getting the returns, borrowing the money or providing the service. If it has a subsidy base there is a minister responsible through the Treasurer to make sure that people understand it. That is national competition policy. It is not a matter of having to balance and pay — if there is a subsidy involved with Melbourne transport then it should be understood and made known to us. The minister is the person responsible in this place for that. What is wrong with that? Nothing.

The minister responsible for water resources has played a vital role since 1989 in providing accountability in that sector. We have a totally government-owned operation, so the minister is responsible. The minister is accountable in Parliament, and anyone in Victoria is able to bring to this place a grievance in relation to the water industry, such as one concerning pricing, dividends or whatever. That right is taken away by this legislation, and the function of the Parliament is depleted.

We set up the Office of the Regulator-General to handle privatised utilities. It was set up to regulate privatised utilities when required and to create a link between the private and public sectors. The regulators of this world are faced with a very big challenge, we all understand that. We do not have a problem with the Essential Services Commission dealing with those essential services that are in a private market, such as gas and electricity. However, we do have a problem with taking away a function of this Parliament — one involving a fully government-owned authority and a minister who is responsible for that operation under the Westminster system — and putting it with the Essential Services Commission. It would mean that none of us representing our constituents would be able to get at the minister. Under this legislation they will be able to get at the Treasurer.

I can tell you now, it is a very difficult task to get anything out of a treasurer in relation to the regulation of a government-owned entity. It is a very different task to getting the same information out of a line minister who is responsible for it on a day-to-day basis. So we do not really want to consider taking that direction — unless, of course, I am reading it the wrong way — perhaps the honourable member for Dandenong North might tell me, through you, Madam Acting Speaker, whether I am.

Is it the government's intention to privatise the water industry and put the regulation of water with all the other privatised utilities? We get a bit sick of the rhetoric and mantra of the Labor Party. It said there was never any intention, nor would there be, of privatising water — it said it would not put it into that sort of operation. But the government seems to be putting it in, and the Treasurer has stood in this place for two days in a row and talked about the regulation of water. It had better convince us today that it does not have any intention of privatising the water industry. It has set up the regulation, and the Treasurer has put forward the arguments for a privatised water industry to be regulated alongside all the other essential services.

Ms Asher interjected.

Mr STEGGALL — Same advice, yes. Some of us when in government had some trouble in the Department of Treasury and Finance with the water bureaucracies. I make no bones about that. This government will probably have the same troubles. The Treasurer's second-reading speech was very good — it was pretty open, which is why we put the questions to him — but we wanted to make sure he was saying what he meant to say, and he was, hence my comments. If the government is going to travel down that line and take away what we in the country have built up so strongly, there will be a battle royal out there — we are

quite capable. It will not be possible for the challenges that are coming in the water industry to be handled by the Essential Services Commission, because it is not involved in that area — believe me.

I refer to the old days of the former State Rivers and Water Supply Commission. In the 1970s I was chairman of the Swan Hill Water Board, and I was trying to achieve — —

An honourable member interjected.

Mr STEGGALL — It is a while ago, yes. I was trying to achieve — —

An honourable member interjected.

Mr STEGGALL — I am giving an example. I was trying to achieve the delivery of water from Swan Hill to Lake Boga. We struck a deal with the State Rivers and Water Supply commissioner, Mr Samuel Rogerson, and went ahead with the project on the basis of that deal. However, when we got to about the end of the project, the commission turned its back on it. It said, 'No, that's not the deal'. We came to our member of Parliament and said, 'Come on, you have to fix this up'. He said, 'Oh no, although we feel sorry for you and think what you are saying is right, I am sorry but we don't have the power to intervene — that power is with the state rivers commissioner'. So we were dead in the water. Here we go again — back to the future.

If the government wishes to travel that line it will be doing itself and the state of Victoria a great disservice. Everyone is aware that water is a very political issue. It is getting worse and will change. The political nonsense that is going on today is chickenfeed compared to that which will come to either us or to the next round of politicians in this place. None of us wants to have a situation where, to tackle those issues, there is a divorced and separate essential services commission overriding all our economic power.

In conclusion, I say to the honourable member for Dandenong North, who is the parliamentary secretary involved with this legislation, that I would like to hear just what the term 'economic regulation' means to him. There are many ways to utilise economic regulation, particularly in natural resource management, whether it is in Melbourne or in non-metropolitan or rural areas. It is important to know that if the Labor Party thinks it is going to use an essential services commission to achieve social, economic and political goals with the water industry in any of those three areas, it is badly advised. You cannot do it. People have tried to do it over the years and have failed miserably.

Today's situation is very good, although it can and will get better. There are still some problems in Mildura with participation. There are educational issues that are catching up quickly in south-western Victoria and in Gippsland. Those committees and communities and their new boards are starting to bring those areas along. As I said, the Wimmera Mallee Water operation, with its desire to achieve piping of that system and save about 100 000 megalitres a year, has come from such people. It is not going to be achieved by having regulation imposed from the outside. Be very careful! Remember that the Office of the Regulator-General was set up to regulate this state's privatised utilities. The government has taken that legislation —

An honourable member interjected.

Mr STEGGALL — You have not wrecked it! This is not bad legislation, but — as the Labor Party always does — you have made it slower and created more red tape. You would say that there has been more consultation and that you have created more opportunities. That is true; you will achieve that goal quite well. There are things in the legislation that we like. I refer to grain regulation and the advantage we hope to take in order to improve it quickly.

The National Party will not be opposing this legislation, but it does put the government and the Treasurer on notice. I am disgusted that the Treasurer is not here to listen to this debate. I hope that the government will take cognisance of our comments with regard to government-owned enterprises being taken away from the Parliament's scrutiny and placed with the Essential Services Commission. He has assured us throughout his second-reading speech that the legislation will come to this place for that to happen. If it does, I advise him that it would be better if he were to get on and manage the regulation of these privatised utilities and make sure that the regulation in this state is in such a form that it will encourage investors to come here.

I ask the government to be very wary of today's changing world, of the changes that we had to make when we were in government to make it attractive for people to come and invest in Victoria. We might kid ourselves, but we do not have enough money in the Victorian government system to supply all the infrastructure that we require. We just do not have it, so we have to make sure that the regulation that is put in place — in this case to regulate essential services — is such that it will attract industries and provide a welcoming environment for people to come and invest in, particularly in our natural resources and our future economic, social and environmental endeavours.

Mr LENDERS (Dandenong North) — I join the debate on the Essential Services Commission Bill, and as a member of the government I do so with a great deal of pride and as one who has had the privilege of being on the edges of its development.

In the 20 minutes I have I will endeavour to answer some of the queries raised by the honourable member for Box Hill and the Deputy Leader of the National Party. However, I assure honourable members that in the 20 minutes available to me it will be somewhat difficult to reply to 75 minutes from the one and 55 minutes from the other. I will use my best endeavours to address what I see as the main issues. Also I will go through some of the history of where this bill has come from and some of the issues that the government is addressing.

Firstly, a picture should be painted of where this bill came from. I do not wish to go delving into the past except to paint a picture, particularly after some of the statements from the previous two speakers. We need to remember that the environment we inherited as a government is a hybrid of privatised industries, state-owned industries and a regulator who was put in place on the run during that privatisation process. It is a logical time for any government to be looking at how to regulate monopoly institutions. In particular, it is about getting the balance right.

In a government sense we have gone through a stage where ownership gave the government the right to regulate. In most of these industries that ownership has gone. There needs to be a balance between global capital and expertise coming in versus national grids and the role of local stakeholders. This Essential Services Commission legislation is an effort to try — in a public policy sense — to balance all of those competing interests. That is not easy. The government welcomes the commitment from the opposition and the National Party that they will not oppose the legislation. I think that honourable members opposite understand the complexity of getting this package together.

I refer specifically to the statements by the Deputy Leader of the National Party about whether there is any government intention to privatise water or sewerage. That is one thing that we rule out categorically and unequivocally.

The legislation addresses the issues of regulation and ownership. One of the ideas behind the bill is about having a regulatory framework that treats all partners or units in an equal sense. Whether they are under government ownership or private ownership, they still need to fit into that regulatory environment. The government passionately campaigned against privatisation and does not intend to privatise. But the genie is out of the bottle with those state-owned enterprises that have been privatised, and the government cannot unscramble the mix. In opposition Labor strenuously opposed that with passion and to the best of its ability, but that is now history. Those enterprises have been privatised and it is the government's task to get a regulatory framework into place.

It is with pride that I hold up the pledge card with which the government entered the last election campaign. One of the pledges was to establish the Essential Services Commission. The honourable member for Box Hill does not think the government has done all the things it should have, but I will put that into context. When we were elected to government, and in dealing with our pledge to set up the Essential Services Commission, a range of things came into being. Opposition members are certainly aware, as are government members, that the first issue was getting out and consulting with industry and setting up a consultation paper. The word 'consultation' often upsets people, but it is important in establishing something as technical and complex as the Essential Services Commission. The Treasurer went out with the government's preliminary view and tested it with industry, consumers and other stakeholders.

Running concurrently with that was the report on the security of the electricity supply. Opposition speakers have addressed some of the issues of electricity supply. The government has a response to that in the report of the security of supply task force. I have only a limited time available to me, but I could spend hours going through some of the things the government has done. The report addresses many of the issues raised by the honourable members for Swan Hill and Box Hill.

They are two issues addressed by the government which have been publicly and transparently dealt with through that consultation. As part of the consultation process the Treasurer asked me to assist him, firstly in talking to stakeholders about their response to the draft consultation paper, and then taking the next step with the government's legislation. We talked to a lot of people such as distribution businesses, suppliers and consumers — a whole plethora of people who thought the legislation was sufficiently important that they should talk to the government about how it should work.

The government originally planned to introduce the legislation in the last parliamentary session. However, at the request of the stakeholders the government put

out an exposure draft so that people could look at what was proposed. The government was keen to get this right. While the previous government's selling off of Victoria's energy monopolies and utilities might be seen as one of its more radical social experiments, it certainly is not unique. This type of legislation is fairly new; many countries have bits and pieces of it. The United States is obviously struggling with some of these issues — for example, in California — and people are also struggling with them in various parts of the European Union. The government was determined to get this mix right and not introduce legislation that would need multiple amendments and therefore lose focus.

The government believed that putting out an exposure draft would assist industry. As one person involved in that process I can certainly say it was a useful exercise, and the government remains committed to consultation because it brings out an enormous amount in that rich tapestry of people who have had a lot of experience. Their experience has assisted the government in its political and managerial imperatives through the Department of Treasury and Finance. As much as the government would like to believe it is the repository of all wisdom, it acknowledges that it is not. The feedback was very helpful.

It was difficult to get the right mix with some of the issues that came from the consultation, such as what is heavy-handed regulation and what is light-handed regulation. Such statements are particularly easy for people to make in a debate, and it is easy for industry to say it wants light-handed regulation and for consumers to say they want heavy-handed regulation. On the other hand, how do you achieve the right balance so you get the capital and investment you want and yet have government control essential services? The government spent a lot of time on that. In particular the Treasurer, in his second-reading speech, put a lot of effort into trying to clarify the government's views on a lot of those matters to give industry some certainty about what the government was looking for. These are some of the issues that obviously the honourable member for Swan Hill is concerned about, including how they may affect water down the track.

In his second-reading speech the Treasurer tried to show where the legislation fits into place and also to deal with the complementary legislation that will be required after other reviews are done. That is separate legislation that is not in any way caught up in this. He also tried to send some sort of signal to the community about debate and consultation, because there are a lot of difficult issues that the government is obliged to deal with under various intergovernmental agreements and national competition policy. The government wants and welcomes a full debate in this chamber on how to deal with these complex issues. None of them, as honourable members are aware, will be easy.

Finally, in dealing with the general discussion I cannot let pass, as it came from both previous speakers, the reduction of state debt and the part of it that came from the sale of utilities. My only reply would be that although the sale of the utilities reduced state debt and lifted a burden off the state, it also put another burden onto consumers and users by using their rates and tariffs to reduce the debt of the purchasing companies and to service the dividends paid to those companies. So it is not as clear cut as members opposite are making out. I am certainly not a champion of privatisation, but we have inherited it and our requirement is to try to put some regulation on top of it.

The government does not hide from the fact that it has a fundamental role in overseeing the framework by which these essentials services are provided. It has a firm view that access to high-quality, reliable utility services at reasonable cost is fundamental to the quality of people's day-to-day lives and fundamental to the competitiveness of Victorian businesses across the state and internationally. The provision of these services also needs to be managed to protect public health and safety, the safety of those employees in those industries, and the environment.

The Essential Services Commission Bill has been introduced for these reasons. It is also a timely response to the climate in which the utility industries in Victoria currently operate, for the reasons outlined by the Treasurer in his second-reading speech.

The bill has been developed in close consultation with key stakeholders, having commenced with the release of the public consultation paper, to which I alluded. The bill fulfils the government's key election commitment to establish a commission and to do the things it said it would. The commission's specific powers relate to price regulation, setting standards and conditions for service and supply, and licensing and market conduct.

The aim of these reforms is to protect the interests of consumers in relation to reliable supplies of gas, water and electricity. In protecting the interests of all present and future consumers the government recognises that the new regulatory arrangements must ensure optimal investment in essential services infrastructure. A well-planned, competitive and efficiently managed and regulated essential services sector will deliver benefits to all Victorians. That is why among the government's objectives is the notion of long-term viability.

The key functions of the bill, which again the Treasurer went through in his second-reading speech, include fostering more accountable, transparent and inclusive decision making. One of the features of the bill is that the memorandums of understanding between the various stakeholders are all to be registered, so it will be public and we will be able to see what they are. These are important things that we have been looking forward to. Another key function is providing affordable and reliable services that are available to Victorians, including low-income and vulnerable groups. The Treasurer raised a series of other things in his second-reading speech which I do not have time to debate.

It is important that the Essential Services Commission be independent from government and that it subsume the current Office of the Regulator-General. During the debate opposition members have touched on that in one sense, on the one hand criticising the bill for not going far enough to be considered heavy-handed regulation while on the other hand saying it is a mere replica of the Office of the Regulator-General legislation. The opposition cannot have it both ways. It is one or the other: we are either heavy-handed or light-handed regulators. We believe that we have the mix right, that this is a logical extension of what was put there and that it is something that needed doing.

I will go on to some of the issues raised by both honourable members specifically and then get back to more general aspects of the bill after that. The honourable member for Box Hill raised questions about the value of reports and inquiries, if I heard him correctly. There is always the danger in reports and inquiries that if there are too many of them for their own sake they are unnecessary bureaucracy. The advantage of reports and inquiries is that they actually inform the government of things that are happening out there. They can be particularly timely if they are done by independent experts who can come to government.

I am sure the Governor of California would have been absolutely delighted if there had been the equivalent of Essential Services Commission legislation in his state that could have forewarned him of some of the security of supply issues that California is faced with at the moment. It is easy to belittle the reports and inquiries as being bureaucratic and a lot of talk, but they serve an important purpose if they can forewarn the government of major issues that are coming to it. Certainly the Bracks government has a view that they are a good thing.

In the context of bureaucracy and cost distribution it is important to draw the attention of the house to the provisions of clause 33(4). It is one of only two clauses I intend to refer to in my brief remarks. In my limited time in this place — two years — I have not seen this before. Clause 33(4) states:

> In making a determination under this section, the Commission must ensure that —
>
> (a) wherever possible the costs of regulation do not exceed the benefits; and
>
> (b) the decision takes into account and clearly articulates any trade-off between costs and service standards.

This clause is a clear indication from government that it sees regulation being done in the context of benefiting consumers and putting an obligation on a regulator to say, ‘Do not regulate for regulation’s sake. There must be a cost benefit, and government must be alerted to it’. For anyone who criticises the government as being excited about regulation and bureaucracy and not sensitive to the needs of the communities who have to work in that framework, the legislation is clearly a signal that the government’s priorities on the issue are good and sound.

The honourable member for Box Hill raised some of the consumer advocacy issues and was seeking more information from the Treasurer about what is meant by consumer advocacy areas. In my limited time I will not go into too much detail, but for the benefit of the house I will say that there are many models. It was quite exciting that people came to the government as part of its consultation process. The honourable member for Box Hill wanted the ability for Mr and Mrs Smith off the street to be drawn out in a random lottery or something similar. Certainly his point about how consumers are accessed is a valid one. Virtually every utility across the world uses a model to try to access its consumers. Some of them work, some of them do not. The state of Texas modelled what it called the ‘Texas deliberates’ model, which we in Australia copied to an extent in ‘Australia deliberates’, with the debate that was held in the old Parliament House in Canberra before the last referendum about whether Australia should have its own head of state.

Under the model people were randomly chosen, put together for a period of time and exposed to every aspect of the area, whether it be the regulator, the utilities or local government. It is thought that if ordinary consumers are brought together and exposed to the people who have to make day-to-day decisions then good decision making might be arrived at. It is not a model that the government chose, but it is an interesting illustration of how government can engage with micro-stakeholders rather than the macro-stakeholders.

In the advocacy details that were finally set up one of the policy drivers for the government was to get the micro-stakeholders, for want of a better term, the financial ability to get independent financial advice and do some work so that they could at least be on a less unequal footing with the major stakeholders than they are at present. I know the honourable member for Essendon wants to address that point in her remarks, and the Treasurer may wish to refer to it later. The Minister for Consumer Affairs is continuing to have stakeholder discussions as a way of addressing the issue.

The honourable member for Box Hill also raised the issue of whether Australian Football League tickets should be declared an essential service. I think he was speaking somewhat tongue in cheek. At the moment a lot of Essendon supporters are desperate for tickets and would want it declared an essential service so they could access those tickets. I will retreat to my first-year law studies and, from my recollection, the importance of second-reading speeches in determining objectives. I think the Treasurer was fairly clear in his speech that he did not regard football tickets as an essential service. Again in all seriousness, the order in council provisions in clause 4 address that. I think the honourable member was somewhat tongue in cheek, but it is an interesting point.

I would like to spend a moment talking about the remarks of the honourable member for Swan Hill. It is delightful to see some passion in the chamber. The honourable member was very passionate about the legislation. Clearly he has a long history in dealing with these matters on a personal level and a constituency level. The government welcomes the discussion.

It is important to address a number of the issues that were raised by the honourable member for Swan Hill. Neither the legislation nor the amendment will apply to the Water Act, and therefore further specific legislation will be required for the areas that he has the greatest concern about. Some of the provisions, especially those concerning cost recovery for the commission, are limited to the Water Industry Act, which picks up the metropolitan bodies the government is addressing. The amendment has been introduced to make that absolutely unequivocal, so there is no uncertainty. The government expects and welcomes a debate on those issues because that is a necessary part of governance, but it is not an effort to do any of those things by stealth. Water review is an issue of intergovernmental agreement and national competition policy. I imagine that will attract fairly robust debate in the house over the next few months.

In the 46 seconds remaining to me, I thank honourable members opposite for their comments. The government has come up with a good piece of legislation that is an important balance. It has held extensive stakeholder consultation in a number of rounds and the legislation meets Labor values, meets good governance and tries to deal with changing economic times in the world in an area where deregulation is on us. The government has an obligation to put some regulation in place where ownership has gone from the public to the private sector. It is trying to keep regulatory review, and with respect to some of the utilities in public ownership keep as much of a level playing field as possible. I support the legislation and wish it a speedy passage.

Ms ASHER (Brighton) — Prior to the last election never did we hear so much bluster and chest thumping over something that would guarantee security of supply for essential services. While in many respects this legislation is a piece of window-dressing it has some potentially dangerous aspects, and although the opposition does not oppose it I wish to make a couple of comments on the bill as a whole.

In essence, the bill transfers the existing powers of the Regulator-General established by the previous government to the Essential Services Commission (ESC), which will be established by this legislation. The powers of the commission will relate to electricity, gas, grain handling, ports and rail access and they will become operational from 1 January 2002. Powers in relation to water and sewerage will become operational from 1 January 2003, and the opposition is advised that separate legislation will follow in relation to those powers.

In essence the legislation, despite all Labor's posturing prior to the last election, reflects the Office of the Regulator-General Act 1994. However, it contains some changes and I will briefly point out what I see as being the three most significant changes that the bill makes to the ORG act.

Firstly, grain handling and ports facilities are now required to be licensed and the bill enables the government to charge a fee for this. The government claims this is cost recovery, but I do not trust the ALP in anything to do with money, licensing or business regulation. We will see far more than cost recovery when we see the actuality of this legislation. The businesses themselves are deemed to be licensed. At least the government has the decency not to put them through a licensing process; we should be grateful for small mercies with this government.

The second major difference from the ORG act of 1994 is — —

Mr Batchelor interjected.

Ms ASHER — The ORG act — the Office of the Regulator-General Act — I repeat by way of clarification for the Leader of the House, who seemed to get a bit excited there on that point. The Office of the Regulator-General currently has the power to decide whether it will embark on further regulation; in the bill the government has made the policy change that the Essential Services Commission will now make recommendations to government on the issue of whether industry should be regulated. The final decision will now rest with government rather than with the Regulator-General.

The third major change to the previous structure and administration relates to increases in fines. The maximum fine of $100 000 under the previous act has been increased in many instances to $500 000, with the $10 000-per-day fine for continuing non-compliance now being raised to $50 000 a day.

The government has taken the Office of the Regulator-General Act and brought in some changes regarding licensing and who will make the final decision about further regulations and it has increased the fines. Bear in mind that this was a piece of legislation which the government railed against when in opposition; it is now bringing virtually the same legislation to this place with those three changes.

The Governor in Council will appoint a chairperson of the new ESC and additional full-time and part-time commissioners will be appointed by the minister. The same mechanisms for removal of officers as existed under the Office of the Regulator-General Act still apply — that is, by a vote of both houses of the Parliament. The functions of the ESC are to advise the minister; to conduct inquiries, including inquiries into reliability of supply; to make recommendations to the minister as to whether further regulation should occur; to conduct public education programs; and to administer the act. As an aside, it will be very interesting to see which companies are appointed to administer those public education programs. Will it be the Labor favourites: will it be Shannon's Way, Essential Media Communications or CPR Communications and Publications? Let's keep an eye on who will get the contracts for these public education programs.

The commissioner will not be subject to the direction and control of the minister, which is the same as under the previous administration. I note the government has announced that the current regulator will be the new chairman of the Essential Services Commission. The prime objective of the government is for — it says — long-term consumer protection with regard to price, quality and reliability of essential services. However, the government adds the sop to business that the commission must have regard to facilitating the efficiency of regulated industries and maintaining incentives for efficient long-term investment. I will be interested to see whether that actually pans out and whether, in accommodating its principal objective, the commission is able to maintain investment in essential services in Victoria.

Much has already been said about the Essential Services Commission being an election promise. Prior to the last election — unlike the honourable member for Dandenong North I have a copy of the real thing and not a photocopy — I had a piece of political propaganda put in my letterbox urging me to vote Labor. It was headed 'Labor's pledges for Victoria' and on the back there was a little note saying, 'Keep this card to see that we keep our pledges'. So I kept this card and I note that the six pledges — not promises, pledges — include this one:

> Guarantee reliable supplies of gas, water and electricity through an Essential Services Commission with tough new powers.

As I read this bill it struck me that the government did not, cannot and would not guarantee reliable supplies of gas, water and electricity. What it has done is walk away from that commitment. It has walked away from a commitment that was very easily given but very difficult to implement, and it has instead presented a bill to the house which, in essence, is the old ORG act recycled with some changes, as I have already said.

The sop — the absolute sop! — in terms of the government's failure to honour its election commitments to the people of Victoria is that the Essential Services Commission has been given the power to investigate reliability of supply issues. More inquiries! I might also add that another feature of the election promise that was dumped was its applicability to public transport. It is very easy to make these glib promises in opposition; Labor has not been able to deliver them in government.

Notwithstanding that, I have some real concerns about the practices of the Essential Services Commission. What we have in this bill is the Office of the Regulator-General plus increased costs for business — costs that will flow on to consumers. The cost of regulation in the first year of the ESC will increase by

230 per cent! That cost increase under this government, which is typical of its attitude to business, will flow on to consumers. The costs for the regulated businesses will treble from $4.1 million in the financial year 2000–01 to $13.7 million in 2001–02. That is a significant increase in costs on vital businesses supplying essential services for Victoria.

I note that in the second-reading speech the government 'expects' that these costs might decline in the second year. As I have said on many occasions, you cannot trust the ALP when it comes to collecting revenue. The ALP has form in the collection of revenue, and I ask members of this house to contemplate that when the government collects $13.7 million — —

Mr Maxfield interjected.

Ms ASHER — You are incapable of contemplation; I would be quiet if I were you! When the government collects $13.7 million, will it cut that cost?

Mr Maxfield interjected.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Narracan should wait until it is his turn to speak.

Ms ASHER — The answer is, it is most unlikely that the government will reduce those costs. I draw to the attention of the house the government's increases in Workcover premiums and its increased revenue in pay deals. This government has form; it is most unlikely that it will forgo revenue.

I turn now to Auscid, the Australian Council for Infrastructure Development. I know that the honourable member for Box Hill, the shadow Treasurer, also made reference to this august organisation on which the ALP is more than happy to rely for advice, which advice it prefers in most instances to ignore.

Auscid called on the government to review the ESC on a cost-benefit analysis. This was not done. It was a reasonable request from Auscid which was ignored by government.

I also draw attention to a letter to me from the director of policy of Auscid dated 3 September. Dr Raphael Arndt makes the following comment:

> While elements of the ESC legislation may provide marginal improvements for investors over the current regulatory situation in Victoria, the proposed ESC legislation does little to give confidence to investors that they will be treated fairly under the new regulatory regime. As a result the government can expect investment in regulated assets to be restricted compared with the situation which would prevail if true, light handed, incentive regulation were provided.

That is a valid comment by Auscid, which I regard as worthy of being on the record.

Auscid also points out that there are pages of regulations that investors in essential services in Victoria are required to comply with, and now over the top of this we will have an ESC. In addition, in an attempt to avoid duplication the bill provides for a series of memorandums of understanding (MOUs) between the ESC and state-based regulatory authorities. I think there is potential for significant additional regulation as a consequence of these MOUs, which of course will never be scrutinised by the Parliament.

I turn to the Essential Services Ombudsman, who has a clear and good role. That ombudsman was a valid consumer protection advance. The government is now floating a Consumer Utilities Advocacy Centre to commence from 1 January 2002. Already it has set aside $500 000 for the centre, but we have no details of it. I might add that the ombudsman has no idea of those details either. One of the issues the government needs to grapple with is: what will be the relationship of the centre with the ombudsman? The Minister for Consumer Affairs has carriage of this issue.

Also flagged in the second-reading speech is the possibility of yet another memorandum of understanding between the Essential Services Commission and the Consumer Utilities Advocacy Centre. It is incumbent on government to spell out what the relationship will be between the ombudsman, which in my view has been a successful consumer point-of-complaint call, and the new Consumer Utilities Advocacy Centre. How will the centre behave? What will be the relationship between this centre and, for example, business, or will the centre take away some of the role of the ombudsman?

I refer to the issue of consultation. Consultation is fine provided it is not a substitute for decision making, or a deferral of decision making and meaningful dialogue with stakeholders. I note that we have had a lot of consultation on this issue. In the first instance a discussion paper was released in July 2000 with 72 submissions. A proposal paper containing 54 submissions and an exposure draft were issued in June 2001. Business spent a lot of time and money going through this process. What did it get?

I regard consultation as having a meaningful dialogue and shifting a bit. After all of this time and money business has got very little out of this whole process. I would argue that business has been delivered an elongation of the appeals process — that is, businesses have a slightly longer period in which they can lodge an

appeal. To be fair the government has accepted that the aim should be long-term consumer protection rather than just consumer protection. However, it is very little shifting by the government for a very significant and lengthy consultation process.

Not only are we seeing that part of the hallmark of this government is a series of consultations where nobody is listened to in the end, we are also seeing that another part is the review process. The bill is an absolute gem of a product of the Australian Labor Party. How many reviews do honourable members think are associated with the Essential Services Commission? First of all we had two discussion papers. In the legislation itself there is provision for review of the ESC legislation. There is also provision for an inquiry into the regulation of port services and for another inquiry into the regulation of grain handling.

Mr Nardella interjected.

Ms ASHER — Also in the legislation — and this man can count, but add on the two that preceded the bill — there is provision for another inquiry into the regulation of channels. In addition, in the legislation there is also provision for a further inquiry into channels! We have got five reviews and inquiries embedded in and entrenched in the legislation! The whole thing itself was preceded by two inquiries involving a consultation paper and a proposal paper.

Overall, business has gained very little as a consequence of the consultation. I know what will happen in the inquiries and the reviews: they will go on and on and we will have this whole process of deferred decision making because the government is a do-nothing government that is decision shy. It does not want to bring a piece of legislation to this house with a decision. It wants to inquire, it wants to defer, it wants to procrastinate — all with the objective of trying to be popular.

I note also that the Essential Services Commission is required to develop a charter of consultation and regulatory practice. What a charter of consultation and regulatory practice is I am not quite sure, so I turned to the Treasurer's second-reading speech for edification.

I note that the Treasurer said this charter of consultation and regulatory practice would involve an 'inclusive approach to regulation'. Don't you love that? Business was not included in the consultation process; its opinions will not be involved in the review process. I am sure that this is just about more money for the stakeholders to pay, which in the end will mean more money for consumers to pay.

There are some real concerns being expressed about the legislation. The ports have real concerns: they do not want to be regulated. The rural water authorities have real concerns: they do not want to be regulated. In the end it will be the practice of regulation that is put to the test. I note that already under the government the Regulator-General has used a heavy-handed approach to regulation. I refer to United Energy, which made an offer in the 2001 electricity price review. The consumers accepted it and the company offered it. This is of particular local interest to me, and it has some environmental benefits.

One element of the offer put forward by United Energy included the undergrounding of the Brighton electricity supply. Most importantly, 80 per cent of United Energy's customers strongly supported the undergrounding at the prices contained in the offer. Business offered; the consumers accepted. What did the regulator under this government do? It said no. In my view, that is interference in the market. That is not the sort of heavy-handed regulation I want to see, but I fear it will occur under the Essential Services Commission. It is absolutely bizarre for a company and its customers to agree to something and for a regulator to step in and say no. Under this legislation there will be ample opportunity for the regulator to step in with that sort of bizarre decision.

There are some key supply and investment issues facing the power industry at the moment. It is a great disappointment that all Labor can offer is a failure to honour its election commitments, more consultation, more reviews and more regulation, which in the end will impact adversely on investors, business and most importantly, even in the parlance of the Labor Party, on consumers.

Mr MAXFIELD (Narracan) — I rise to speak in support of the Essential Services Commission Bill. I start by responding to some of the issues raised by the Deputy Leader of the Opposition. It makes you realise why she was demoted as shadow Treasurer. She commented, for example, that the government is doing nothing and is not achieving much. In the past two years in my electorate of Narracan, and in Gippsland as a whole, the projects that have got under way, the decisions that have been made and the actions that have been taken have far outstripped what occurred in the seven dark years of the Kennett government. How can the Leader of the Opposition and the Deputy Leader of the Opposition say that there are no major projects in Victoria, when we have $800 million being put into a fast-rail network. The problem is their saying that if a major project is not in the centre of Melbourne it is not

a major project. If the government spends $800 million — —

The ACTING SPEAKER (Ms Davies) — Order! I ask the honourable member to address the bill.

Mr MAXFIELD — I was responding to comments made by the Deputy Leader of the Opposition in her address on the bill. I point out that the government has achieved an enormous amount, and the essential services legislation highlights the actions of a government that is consulting with the community. We did not just drag the bill into the house, throw it onto the table and say, 'There it is'. We spoke to the community; we discussed it. At the end of the day we are honouring our election promise.

As the local member for Narracan, the proudest moments I have are ticking off promise after promise as we honour commitment after commitment. The honourable member for Dandenong North raises a card showing the commitments. It is wonderful the way we tick them off one after the other as we achieve them.

I go to the point of the bill and whether it is necessary for us to follow through on our election commitment. A few weeks ago a storm went through Gippsland, badly affecting the area. Many trees went down and over 100 000 electricity customers were without power, to the extent that some dairy farmers went without power for 30 hours.

Drouin, my home town, is next to my electorate in the electorate of Gippsland West — so the Acting Speaker represents the wonderful town we love dearly. People in Drouin went for 36 hours without electricity. There we were, a town of 4000 people facing enormous difficulties. At one stage there was a 40-minute wait as people rang into the call centre, attempting to get information on how long it would be before the power could be restored. That was at 6.00 p.m., when people did not know whether they would be able to cook their teas or have lights or power that night, not to mention the problems facing business people such as dairy farmers, who were desperately searching for generators so they could milk their cows.

Going through that experience a few weeks ago brought home to me the need for the essential services legislation we have before us. It is not something abstract or something that just sounds good on paper. Speakers opposite have represented the legislation as bureaucratic gobbledegook that does not mean anything. I can tell you that when I went to the people of Narracan and said that we were presenting the legislation to the house and would be debating it shortly, it was on the front page of the *Warragul and Drouin Gazette*. Why? Because they knew how much the community needed the legislation — and they knew how much the legislation was needed a few weeks ago when they lost one of their essential services. The government's decision to bring in the essential services legislation is one I welcome and I know my electorate welcomes.

What is the bill trying to achieve? As I have mentioned, it is trying to achieve reliability of supply in gas, water and electricity. Not only do we need it for domestic use — obviously for the elderly, for heating and to cook food — we also need it for jobs. The Bracks government has a strong focus on jobs, as can be seen in the past two years by the jobs growth in rural Victoria. Labor is delivering on jobs growth. If you are a businessman, do you want reliability of supply? Do you regard it as an important issue if you are running a business? Of course you do. Unfortunately a lot of businesses have suffered when they have lost gas and electricity supplies. That is why businesses are looking to the government to lead the way.

Sitting suspended 6.30 p.m. until 8.03 p.m.

Mr MAXFIELD — As I was saying before the suspension of the sitting, I strongly support the Essential Services Commission Bill. Having endured blackouts and interrupted power supplies during the storms a few weeks ago it is certainly enlightening to see the Bracks government delivering on our election commitments, and especially to rural Victoria, which is so exposed to the need for essential services, particularly dairy farmers who have to milk their cows. As I was saying before the dinner break — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Seitz) — Order! The honourable member for Narracan, without assistance. It is very difficult for the Chair and Hansard to hear, so please do us the courtesy of allowing us to hear from the honourable member for Narracan.

Mr MAXFIELD — Is the bill in keeping with the Labor Party's key policy pillars? The answer to that is yes. In the lead-up to the bill we consulted with the community. The bill has come forward having had the proper community consultation, through many community submissions and input from many people in industry. The Bracks government listens not merely to the consumers, the people of Victoria, but also to businesses. We need to take into account the needs of business.

The bill fosters more accountable, transparent and inclusive decision making. The need for affordable and reliable services is something we cherish. We need to look at low-income groups and others who are vulnerable in our community — that is, those who do not have huge corporate credit cards and are struggling to make ends meet. Basic services delivered at affordable prices is something we cherish. We cannot afford to have age pensioners and the unemployed having to turn off their heating in the middle of winter and sit there like they did in the cold, dark era of the Kennett government simply because they cannot afford heat — even without the massive impost the Howard government has levied through the GST. The GST has been levied on some of these essential services, which makes it even more important that we keep down the prices for those in our community who need them.

May I point out that not only are we achieving the triple bottom-line outcomes, which are not about economic rationalism but about looking out for the total needs of the community — —

An honourable member interjected.

Mr MAXFIELD — The triple bottom line is something honourable members over there do not understand. Perhaps we should explain to them that it is not just about being economically responsible, it is also about ensuring outcomes for our community.

We need to take into account the issue of investing in infrastructure. I represent the Latrobe region, including the Latrobe Valley, and in the past I saw the State Electricity Commission (SEC) build power station after power station.

An honourable member interjected.

Mr MAXFIELD — Of course! We know they were going to sell the water too if they had not been stopped at the last election. However, whether it be gas fired, coal fired or oil fired — although we certainly want to stay away from oil firing, I can assure the house — we need to ensure there is a reliable electricity supply for the community.

What about those who need assistance? What if they are having a dispute over a bill or are being threatened with having their power disconnected through some administrative stuff up? Is there some avenue where that problem can be addressed? The Essential Services Commission Bill provides for consumer utilities advocacy and will ensure that we have an independent customer advocacy body. The bill provides for the establishment a world-class centre of excellence in customer advocacy research and information dissemination, ensuring that the voice of the consumer will be heard clearly. This is something that needs to be looked at closely, and that is why I strongly support the bill. The bill will ensure that those in the community who need somebody to advocate on their behalf, who need assistance if they are having a dispute over a power, water or gas bill or a supply problem, will have somebody to support them and back them up.

This evening I stand here proudly to support this tremendous bill, which represents the Bracks government honouring its election commitment of delivering fair, decent and accountable government.

Debate adjourned on motion of Mr SPRY (Bellarine).

Debate adjourned until later this day.

BUSINESS OF THE HOUSE

Program

Mr BATCHELOR (Minister for Transport) — I move:

> That the government business program agreed to by this house today be amended by omitting the order of the day, government business, relating to the Commonwealth Powers (Industrial Relations) (Amendment) Bill.

Motion agreed to.

GENE TECHNOLOGY BILL

Second reading

Debate resumed from 23 August; motion of Mr THWAITES (Minister for Health).

Mr DOYLE (Malvern) — We have before us tonight a very important measure, the Gene Technology Bill. The subject excites great passions in our community. The moment you mention genetic engineering you get a set of mixed reactions. At one end you get concern — sometimes even fear — about the consequences of, as some people would have it, playing God by altering the basic building blocks of our own existence. At the other end of the debate you get great excitement at the prospect of crops and products and health care that is at the cutting edge and which may improve in every way the lives of hundreds of millions of people. This is a debate that really covers the whole spectrum of our community's opinion.

When we engineer genetically we modify an organism by adding or deleting or changing one or more genes in the deoxyribonucleic acid (DNA) to achieve or create a

specific and desired characteristic, everything from being able to make tomatoes more red, which we can do at the moment, all the way through to curing or even preventing some of our most horrific congenital diseases, which we cannot do yet. When we look at the technology which is before us and which is represented in the bill, when we consider projects such as the human genome project and the mapping of the human genome and the synchrotron project — which will proceed here in Victoria, I am very pleased to say — the possibilities are endless for what we can do in a whole range of areas of human life. In many ways, although it is in the dry and dusty language of black-letter law, the bill is very exciting. It is very exciting in the area of biotechnology because we can use biological systems — we can use living things to create new products or alter existing ones.

This bill follows the template of the commonwealth's Gene Technology Act 2000 and is the most complete and precise representation of a template that I have seen. A particular feature of the bill is that the commonwealth act will operate concurrently with state law to be the Victorian component of national template legislation regulating genetically modified organisms, or GMOs.

We need to note in the Parliament that in all our communities there are some people who are against genetic engineering per se. They do not believe that genetically modified organisms represent a step forward but rather that they represent an environmental and even an ethical threat, and perhaps even danger. I am not of that view. I respect it, but on this side of the house we support the bill and the step forward it takes. One of the reasons we can offer at least some degree of comfort to those — —

Ms Barker — We support it on this side too.

Mr DOYLE — I understand that, and we are delighted to have your support.

One of the reasons we can offer some degree of comfort to those people who oppose this type of engineering — and this type of legislation — if any comfort can be offered, is that I do not think I have seen a more stringent technical, scientific, ethical or environmental set of safeguards. That is very difficult in this difficult area and a great commendation for those who have drafted the legislation.

The bill regularises a structure which is already there and puts in place a tripartite structure which is almost a belt-and-braces approach. The first arm of the structure is a political arm, a ministerial council. In a moment I will talk about how the government intends the Victorian players to be included in that. The second arm is a statutory regulatory arm, the Gene Technology Regulator, armed with three advisory committees, which I will also mention in a moment. The third arm is an existing one — that is, the existing federal regulatory bodies, which will continue to play an important part in overseeing this very important area.

I turn to the first arm, the political arm, the Ministerial Council on Gene Technology. It will provide, as I understand it, policy and ethical guidelines, for instance, in genetically engineered-free areas. Victoria's representative on that council will be the Minister for Health, and the Department of Human Services will be the lead agency. I note that the Department of State and Regional Development will oversee the industry aspects of the bill and the Department of Natural Resources and Environment the agriculture areas of the bill. I am sure that some of my colleagues with responsibility for those particular areas will wish to contribute to this debate.

I am also pleased to welcome the interdepartmental committee, which will be chaired by the director of public health in the Department of Human Services and will compromise representatives from a range of government agencies: the Department of Human Services, the Department of Natural Resources and Environment, the Department of State and Regional Development, the Department of Justice, the Department of Premier and Cabinet and the Environment Protection Authority. There is also established, I understand, a biotechnology safety and ethics unit in the Department of Human Services, which will coordinate this area of biotechnology and oversee the Victorian code of ethical practice. All of that seems, as an overarching arm at both the political and national levels, to be well supported within the Victorian bureaucracies to make sure we oversee this area adequately.

The second arm centres on the Canberra-based Office of the Gene Technology Regulator, who will license both industry and institutions who are using gene technology and who will carry out risk assessments on the use and release of genetically modified products. The Gene Technology Regulator will oversee dealings with gene technology, whether that is experimenting with GMOs; making, breeding, propagating, developing, producing or manufacturing GMOs; or using GMOs in manufacturing something that is not the GMO itself.

It will also oversee the growing, raising and culturing of genetically modified organisms and the importing and

exporting of organisms. All those things will include possessing, supplying, using and disposing of genetically modified organisms. So that second arm also seems to me to be a useful step. I suppose that is the central mainspring of the legislation — to create the Office of the Gene Technology Regulator, which I understand has been extant in Canberra since June this year.

The other thing I might say about the Office of the Gene Technology Regulator is that it will be supported by three very expert committees: the Gene Technology Technical Advisory Committee, which will give scientific and technical advice; the Gene Technology Community Consultative Committee, which will be more non-technical but which will cover the whole gamut of ethical, religious, conservation, cultural, consumer and regional development issues; and the Gene Technology Ethics Committee, which again will have technical expertise but will help to develop things like ethics guidelines. As I understand from my reading of it — I hope I am correct in this — it will also develop areas where there might be prohibitions on what one might do in this area.

I am particularly pleased, given that they will report to the Gene Technology Regulator, that there is a membership crossover between those committees. That seems to be very sensible. So our second arm of protection is the Office of the Gene Technology Regulator and the three committees which support his or her decision making.

The third arm is equally important, which is not to say that great strides have not been made in this area already, because they have. People might be surprised to know that there are up to 3500 GMOs, if I remember correctly, that have been released into our environment and that there are already different federal regulatory bodies which oversee the use of GMOs and GMO products. They will continue, because the work they have done has been exemplary.

I refer to the Australian and New Zealand Food Authority (ANZFA), which oversees food standards and labelling; the Therapeutic Goods Administration (TGA), which oversees therapeutic goods and human gene technology; the National Registration Authority (NRA), which oversees agricultural and veterinary chemicals; the National Industrial Chemicals Notification and Assessment Scheme (NICNAS), which oversees industrial chemicals; and the Australian Quarantine and Inspection Services (AQIS), which oversees imports and exports of genetically modified products or organisms. There is also the one that I am perhaps most familiar with, the National Health and Medical Research Council (NHMRC), which oversees research involving human gene therapy. That is an awful lot of acronyms!

Ms Delahunty interjected.

Mr DOYLE — I do not know whether there is a collective noun for acronyms, but I would be delighted to hear it.

Ms Delahunty interjected.

Mr DOYLE — A clutch of acronyms — not bad. I must say I was recently taught that the collective noun for ferrets is business, which I found rather charming, but not really connected with this bill. A business of ferrets! Who would say that was a non sequitur — certainly not I!

To return to the bill, it seems to me that this is a very stringent and authoritative structure for managing genetically modified organisms. I believe the risk assessment provisions give sufficient weight to considering the impact of the release of genetically modified organisms into the environment. That is a matter that my colleague and friend the honourable member for Doncaster will also speak about.

I am also mindful of maintaining Australia's biodiversity. There is a considerable effort to achieve this with the establishment of the statutory officer called the Gene Technology Regulator and the prohibition on people dealing with GMOs except in certain circumstances.

We also have schemes to assess the human health and environmental risks associated with GMOs. There is provision for the monitoring and enforcement of the legislation and the establishment of three key advisory committees, each dealing with different aspects but each having cross-membership to link them together.

Given that it is dealing with so many different authorities and is so complex in its interlocking structure, it is perhaps as close as we can get to a one-stop shop for the biosafety assessment of all GMOs and GMO products, because it does have that centralised national regulator carrying out a risk assessment of all products. It allows that centralised expertise to advise other regulators as well. That is a very elegant solution to what at the moment is a multifaceted problem.

It also, so far as it can, minimises duplication by employing strategies to improve the interface between regulators. Of course that will be one of the major considerations in how this works in practice, with all

those committees, all those responsibilities and all those ministers. One hopes that individual products will be the focus of that and not the committees themselves.

I shall briefly mention a range of areas that will be touched by this. I will look at plants and agriculture, animals, food, medicines and the environment, and then I will make one final point, which I would very much like the government to consider, because there is one clause whose status I am not sure of. It is my only, I hope not cavilling, point; it is a small concern about the way the legislation has been drafted, template legislation as it is.

When we consider plants we see that cross-breeding and grafting have been used for centuries to produce hybrids. We selectively cross-breed plants and get desired traits as a result. What we now have is a direct method for incorporating new traits into a plant. If you are going to genetically modify plants, some of the things you might be looking to do include herbicide tolerance, resistance to insect attack, resistance to virus infection, increased yield and drought resistance. You can actually create an ability to tolerate harsh environmental conditions, and salinity is an example of that in an Australian environment.

When thinking about animals we have also had artificial selection or selective breeding to produce domestic animals with desirable traits, such as increased milk yield. As we approach the Spring Racing Carnival I can assure the house — —

Mr Steggall — What's that got to do with milk?

Mr DOYLE — It has nothing to do with milk. But in my humble view it is also a very important product, and the same sort of selective breeding of animals has been used to produce increased yields. It has not always been successful, I might say, but I hope we are getting closer and better at it. However, I will not dwell on that.

I was fascinated to read in my research on this bill about knock-out mice — that is, mice which have been engineered to remove a gene to provide information on its function. It is interesting to think of the applications of that — for example, using transgenic animals to simulate human diseases which are the result of defective genes and then testing new drugs for the treatment of those diseases. We are already doing that sort of work in problematic areas like arthritis and Alzheimer's disease. So the excitement of this area, although couched in the language of this bill, should not be underestimated. We can also cancel or augment existing genes. For example, We can spray a crop with a specific chemical and artificially activate a gene. We can do a range of things in that world.

The world of agriculture gene technology promises to be more precise, to produce results more quickly, to be more cost effective, and to introduce traits which are not possible through conventional techniques. One of the main benefits is the speed with which traits can be inserted into the crop, and they also work better. Consider one example that was given to a federal committee about conventional breeding attempts to take rust resistance from rye and introduce it into wheat. It was certainly possible, but with conventional breeding methodologies undesirable genes were conferred along with that rust resistance. That led in the end to the production of a very sticky dough. This gene technology can confer just the desired gene and so avoid an outcome which is undesirable.

As I said before, I acknowledge that there are people who have concerns about this. One of the major concerns is the cross-the-species-boundary ability that this technology also opens up. I believe the bill provides safeguards so that that will not be a great concern.

There are great potential benefits for the environment, and I shall leave that to my colleague the honourable member for Doncaster and my colleagues in the National Party. But I will just mention that you can reduce the use of conventional chemicals and pesticides through the more specific targeting of pests and weeds, reducing ground water contamination. All those benefits are possible through the use of genetically engineered products. One of the major issues I was about to go into at some length, but I will not now do so, is the use of gene technology in the public health field. It is of great benefit, and a number of products are already being used.

We have enzymes, hormones, blood coagulation factors, a Hepatitis B vaccine and a treatment for flu symptoms as a result of this technology. They are more efficient, more available and cheaper to produce. They also reduce allergenicity and the risk of transmission of infectious agents, which means they are safer. It is a very exciting area of health and medicine.

Living genetically modified organisms have yet to be introduced for therapeutic use in humans, but they may have the potential to provide vaccines for diseases like cholera, malaria and HIV/AIDS and treatments for diseases like cancer and diabetes. So in the health and medical field genetically modified organisms are some of the most exciting things one could consider.

I will consider briefly food. There is a greater acceptance of the use of gene technology in pharmaceuticals and medicine than in food. My colleague the honourable member for Swan Hill is one of the most knowledgeable and expert people in Parliament in this area. I will not go into it at great length, but he has had an interest in this area for a long time. There have been calls for bans or moratoriums on the introduction of genetically modified crops and for clearer labelling of food products containing modified organisms or products. We understand that, particularly when you consider the transfer of allergens in new food products and the possibility of delayed effects.

I do not wish to be alarmist, but people have raised a spectre of things, including Creutzfeldt-Jakob disease (CJD), which presents the difficulty of delayed effects. The bill helps us tackle those risks. The organisms are there, the technology is there, the engineering is there and the science is there. What is needed is a legislative framework that can give some comfort to Victorians and Australians by providing that it will only be done in a way which is for the benefit of mankind. It is with great pleasure that we look forward to the potential effects of this bill and therefore support it.

I raise in conclusion one final small but odd point that I hope can be put to rest quite quickly. Clause 6(1) states that it is an act that will bind the Crown; but clause 6(2) concerns me a little, because it seems to reflect federal drafting rather than the drafting we do at the state level. Clause 6(2) states:

> Nothing in this Act renders the Crown liable to be prosecuted for an offence.

I do not offer a legal opinion on that, but I merely ask whether it is restrictive of the Supreme Court's jurisdiction. The normal practice of this house is that when a clause is restrictive of the court's jurisdiction we deal with it by means of a section 85 amendment. It may not be necessary in this case, but I raise this issue for consideration because, given the state-to-state differences in the legislation, it is important that each state enact the template legislation and ascribe to the national regulation of genetically modified organisms so that we can all get our legislation correct. It seems to me that that is something that we could look at to make sure the drafting is adequate for the purpose.

As I said, we support this bill. The gravity, seriousness and reach of the debate should not be underestimated. It is a very important bill because it deals with things that are at the forefront, or at the cutting edge, of our science. It deals with things that may change the lives of succeeding generations in ways which are not yet understood. That does not mean it is something we should be frightened of or try to hold back, but it does mean that the Parliament needs to consider carefully its role in providing a legislative framework of comfort which does not stand in the way of good science, good society, a good environment and advances in medicine and health.

Mr STEGGALL (Swan Hill) — I support the Gene Technology Bill and wish it well on its journey. This legislation has been worked on for some time. I am pleased to see that the template legislation has passed through the commonwealth Parliament, and tonight it sets off on its journey through the state Parliament. I am also fascinated to see a Labor government introducing it. I thank the Labor Party for the approach it has taken with regard to the legislation and the subject itself. I can assure you that if we were still in government and doing this, the Labor Party would be opposing it. I am pleased that in government it has seen fit — —

Honourable members interjecting.

Mr STEGGALL — I tell you what, if you would like to run through some of the left-wing stuff on biotechnology, you will find that it is not a happy situation for the left wing of the parliamentary process. I am very pleased that the government has introduced this bill and that it has continued the work on legislation which was started by the previous government. Full support at the commonwealth level has also been given to this legislation going ahead, so Australia is now on a good path with regard to biotechnology. That is not the case for many places around the world. Many countries would be very envious of the open debates going on in Australia. We may turn to that a little later.

This bill is the Victorian component of the commonwealth Gene Technology Act 2000. It is part of a national regulatory approach to genetically modified organisms. The bill will give the independent Gene Technology Regulator established under the commonwealth legislation the power to act in Victoria to control all research, development and manufacture of genetically modified organisms and products by all individuals, state agencies and institutions not working through corporations.

So this legislation is virtually the same as the federal legislation. It is there to pick up those three areas — that is, individuals operating in this area, state agencies operating in biotechnology and institutions such as universities that are not working through corporations.

That is why the legislation is here, and that is how it fits in with the federal act. Those who are concerned should be aware that since Victoria already prohibits human

cloning and the experimental mixing of human and animal sex cells, this provision of the Commonwealth Gene Technology Act is not included in this bill. If people are a bit worried about human cloning and go looking for the banning of human cloning in this bill, they should be aware that it is not there.

The genetic engineering debate has galvanised public opinion. Those who disagree with biotechnology and genetic engineering are calling for a halt to it and want to delay or to ban it by law. Others embrace biotechnology and want to develop it by using regulation and close scrutiny.

I support the new gene technology and believe that with careful, rigorous supervision and good legislation biotechnology can offer much to our community, to our consumers and to our environment. The honourable member for Malvern outlined quite a few of the benefits in the medical area.

It is regrettable that our legitimate and important organic industry has taken such a strong stand against genetic engineering. I respect those producers who provide chemical-free food in the marketplace, who give consumers choices and who believe — some with almost religious fervour — that organic farming is the only true, sustainable form of agriculture. I must admit that during my farming days it might be said that I was a close traveller with the organic movement in some respects, so I do respect them.

Conventional farmers have much to learn from the organic emphasis on maintaining soil health and microbial balance and from the commitment to farming in harmony with the environment. That is a developing science, but it is unfortunately not able to supply both in volume and quality the food products that the world requires. I hope that movement will do so, particularly with the use of the microbial farming techniques that are being developed. They will help enormously; however, I do not believe biotechnology will compromise our organic industry, nor do I think the industry has anything to fear from the proper use of GMOs on conventional farms. If the organic industry had existed when artificial fertilisers or chemicals were first introduced, it would have feared for its future. It was not wiped out by chemicals or fertilisers, and it will not be wiped out by GMOs.

I urge our organic industry not to be sidetracked into fighting biotechnology. It should continue to focus on producing a consistent product of certified quality that will allow it to benefit from the huge demand for organic products that exists world wide. I do not want organic farmers to feel that they are the big losers with the introduction of this new technology. The organic and biodynamic industries will always be valid alternatives to conventional agriculture in Australia and around the world.

Turning to the legislation, the commonwealth Gene Technology Act 2000, and its mirror legislation in all the states and territories, establishes a national regulatory framework for the most comprehensive risk assessment and risk management system that it has been possible to develop in Australia. The bill applies to all dealings with GMOs or genetically modified products not controlled by existing regulators in the areas of food, therapeutic goods and agricultural, veterinary and industrial chemicals. It establishes a statutory officer known as the Gene Technology Regulator, who has responsibility for implementing the legislation.

It also establishes three key committees, which the honourable member for Malvern went through — the Gene Technology Technical Advisory Committee, the Gene Technology Ethics Committee and the Gene Technology Community Consultative Committee — to provide scientific, ethical and policy advice to the regulator and the ministerial council. Of course the Minister for Health is a member of that council.

The bill also prohibits persons from dealing with GMOs unless the dealing is exempt, or a notifiable, low-risk dealing, on the register of GMOs or licences administered by the regulator. It establishes a scheme for the assessment of risks to human health and the environment, with extensive opportunities for public input. It provides for the certification of facilities and the accreditation of organisations, and it establishes a centralised, publicly available database for all GMOs and genetically modified products approved in Australia.

It also provides for comprehensive auditing, monitoring, inspection and enforcement powers which are as strong as any we have in these types of bills. The regulator derives power from both commonwealth, state and territory legislation. This is an interesting switch-over of powers between the commonwealth and the states, and it is going to require ongoing relationships between the two bodies to make it work, because it is an amalgam of the states using powers of the commonwealth and the commonwealth using powers of the states.

Gene technology involves the modification of organisms by the direct incorporation or deletion of one or more genes to introduce or alter a specific characteristic or characteristics. The applications of

gene technology, which is the area I am most interested in, include agriculture — for example, pesticide resistance, herbicide tolerance and the slowing down or speeding up of the ripening process; therapeutic goods — for example, insulin and the other areas that the honourable member for Malvern mentioned; bio-remediation — for example, using micro-organisms to clean up toxic sites; and industrial uses — for example, the use of enzymes in paper pulp production.

The agricultural benefits include increased productivity yields leading to cheaper or more stable prices for consumers, savings in inputs to farm production, the recovery or productive use of degraded land, and the reduced use of chemical sprays, benefiting the environment and human health. I cannot stress too much how big an advantage that is, and we are already seeing that happen in Australia.

Other health benefits include the use of GMOs as diagnostic research and treatment tools, which was also mentioned by the honourable member for Malvern. There are also biopharmaceutical uses with enzymes, hormones, monoclonal antibodies, blood coagulation factors and even a hepatitis B vaccine.

Safer food is another benefit — for example, a reduction in contaminants, natural toxins or allergens.

The environmental benefits include the reduced use of pesticides and chemicals, reduced ground water contamination, reclaiming of salt-affected or polluted land, and increased agricultural productivity, reducing the need for further land clearing. These might sound like throwaway lines, but there are huge benefits for our communities as this technology develops — political benefits as well as community and environmental benefits.

Mr Perton — What are the political benefits?

Mr STEGGALL — For the benefit of the honourable member for Doncaster, there is an enormous battle to introduce new food-producing operations on a day-to-day basis — and I am talking about as late as last Friday — particularly on native vegetation clearances, and opening up different soil types for different productions, irrigation and those types of things. There are quite a few community arguments and huge local battles over issues that are very small. Methods have been introduced into country Victoria whereby our departments are handling such issues better than they were. As biotechnology comes along and gives us more options for land use and production, that will be a lot better again.

Further environmental benefits include the production of biodegradable plastics, for which we have had the technology for some time but have not been able to draw it into Australia. We tried to get plastic biotechnology into Australia back in the early 1990s, involving corn and cereal grains, but were unable to get that technology to come here. The legislation will help that to happen. There will also be environmental benefits from biodiesels and through bioremediation where bacteria can be used to clean up land.

There are also possible risks, which is one reason the legislation is in the shape and form it is. The risks include allergens; the unknown long-term or intergenerational risks to health; cross-contamination to traditional or organic crops, reducing crop diversity; the impact on pest management by increasing disease resistance and herbicide tolerance; the possibility of increased herbicide use in some areas; an increase in vigour of crop species, creating environmental weeds; the possibility that genetically modified animals may escape and become feral pests — and there has been a lot of discussion on that; and changes in grazing behaviour of stock, with increases in environmental damage. The legislation is necessary so that we understand, manage and put in place a regulatory regime that looks after those areas.

Gene technology has previously been managed by the Genetic Manipulation Advisory Committee, or GMAC, which is a non-statutory expert advisory committee reporting to the commonwealth department of health and aged care. We have done a lot of work with GMAC over the past 10 years and have found it to be an interesting and exciting group of scientists operating in a non-regulated world. Since 1975 GMAC and its predecessors, the Academy of Science Committee on Recombinant DNA and the Recombinant DNA Monitoring Committee, scrutinised novel genetic manipulation on a case-by-case basis.

To February 2000 GMAC assessed 5164 proposals for small-scale work — so this is not new — 40 proposals for large-scale work and 236 proposals for field trials, the majority being cotton or canola. Commercial companies run 44 per cent of field trials with 37 per cent run by the CSIRO, 11 per cent by universities, which the legislation will pick up, and 8 per cent by state government agencies, which also will be picked up by the legislation.

GMAC had insufficient capacity for independent, legally enforceable auditing and monitoring and no way of imposing penalties, et cetera, for a breach. Inadequate transparency of decision making was also a criticism. However, from 1975 until today it has done a

great job and during that period there have not been any major problems or concerns throughout Australia. I emphasise that these trials have been going on over that 26-year period.

Overseen by GMAC, but currently unregulated, are the growing of genetically modified agriculture crops; the growing or breeding of GM animals or fish; the use of GM micro-organisms for bioremediation; the use of GM viruses and vaccines, and we have had those for a long time; some GM products, for example in stockfeed.

The Gene Technology Bill sets out the application requirements. The regulator is required to make the application public and invite submissions. The regulator prepares a comprehensive risk assessment and risk management plan and seeks public comment on both. This will open up even more now for public consultation and public understanding, and it is important that that happens because if it does not then Australia will just as likely head down the track that Europe is currently in. I will refer to Europe a little later. The regulator makes decisions on applications and if a licence is approved conditions may be imposed. The licence decision has a statutory basis and is enforceable by law.

It is interesting to note that we have played a large role in this debate in Australia because when it started being talked about — and we started talking with our commonwealth colleagues back in the early 1990s — it was a big battle between agriculture and health. Victoria took the stance that it did not want its agriculture ministers in Australia to have the carriage of this type of legislation. It wanted it to be in the health area and it wanted food safety in health and not in agriculture. In Europe, America and England — and England has paid the big price — the agriculture minister is also the minister for food safety.

When bovine spongiform encephalopathy (BSE) broke out in the United Kingdom, the people rightly looked to the regulators and asked, 'Who on earth is looking after us in this issue?', and they found it was the minister for agriculture. It was the same minister who was also promoting the production and the practices that got Britain into the problem it was in. I am pleased to say now that Britain has a food standards agency that comes under the jurisdiction of the health minister.

I am delighted that we were successful in getting this area — after quite a battle — into the portfolio of the Victorian and commonwealth health ministers. It was a battle for a National Party member to wrest this away from the National Party agriculture ministers and put it with the Liberal Party health ministers. We succeeded, and I think it is fantastic that that separation has been made.

Other state governments were not quite like that. It is interesting to note who has the responsibility for gene technology in the other states. In Western Australia it is the Minister for Agriculture, Forests and Fisheries; in New South Wales it is the Minister for Health; in South Australia it is the Minister for Human Services; in Tasmania — God bless its socks — it is the Minister for Primary Industries, Water and Environment; in Queensland it is the Minister for Innovation and Information Economy, Sport and Recreation; and in Victoria it is the Minister for Health, as it is with the commonwealth. Even in the states there is a mixture of ministers handling this legislation. I am delighted that Victoria and the commonwealth, joined by New South Wales and South Australia, have the makings of maintaining a good regulatory process.

There are no easy issues for governments any more. Biotechnology is a classic modern issue. It is complex, highly technical and increasingly polarised in the global economy. The role of government is that of a gatekeeper. How wide do we open the gate, to what do we open it and how quickly do we do it? What are the acceptable risks, what are the costs and what are the benefits? Those are the decisions that we have to wrestle with with biotechnology, and we have done it.

We need to be clear about one thing: this technology is already in place. It is not going to be stopped. No government can or will stop it. The science goes on. My message is: do not waste your time opposing this; instead put your efforts into making sure that governments manage it properly. This bill is the first stage of that regulated management.

Honourable members may not realise it, but biotechnology has been around for a long time. In 1978 bio-engineering bacteria were used to produce human insulin to replace insulin from cattle and pigs. Genetically modified growth factors have been made, including Factor VIII and Factor IX for bone marrow transplants, which are now much safer than they were when they came from human blood. Genetically modified interferon and manufactured hepatitis B vaccine are all genetically modified medical products. In the debate that is around it is interesting that we do not seem to worry about medical products but we do worry about food — and it is right that we do.

Biotechnology has got into food processing. Rennin is an enzyme used to clot milk and produce cheese. In the past, processes used rennin made from rennet, scraped

from the fourth stomach of milk-fed calves. Now it is purified from bacterium that has been genetically modified to produce it. It is structurally identical to the rennin taken from slaughtered calves. We do not seem to have any great debate in Australia about the consumption of cheese.

Biotechnology is under attack because it is claimed to be unnatural. We are told it brings greater risks than traditional crossbreeding. We need to remember that almost all the commercially imported crops grown today have been developed through human intervention and are, in the strictest sense, unnatural — even the fruits, grains and vegetables that are grown organically. As a result most food crops now have been genetically manipulated to such an extent that they bear very little resemblance to their wild ancestors.

I would like to spend a little time scotching the notion that biotechnology creates Frankenstein foods, for example if a fish gene is inserted into a lettuce. All life forms share a remarkably high percentage of identical genes. A given gene produces the same protein whether it is in a human, a rose or a bacterium. Life forms are different from each other because they have some different genes but also because their identical genes are arranged in a different configuration to their DNA. We do not talk about rat genes or jellyfish genes, but we name them according to their function and the protein they produce. A gene producing a protein from a frost-tolerant geranium might be taken, for example, and inserted into a tomato to allow the home gardener to grow cold-resistant tomatoes all year round. A celery plant's own gene might be put in backwards to stop it running up to seed too quickly. It is as precise as that.

We need to be aware that we are eating DNA and genetic material all the time. Every time we bite into an apple, eat a chop or a plate of salad, we are consuming large amounts of genetic material from a wide range of species. So when slightly different genetic material appears, if pollen finds its way into honey made by bees, there is nothing inherently dangerous in that, although we must be sure that we have not created a new allergen that gets into honey as a result of the changed pollen. That work is being done, and done thoroughly.

The legislation is interesting because it sets up a regulation process for genetic engineering. Anything to do with genetic engineering goes through the office of the Gene Technology Regulator. Not all countries have done it that way, and some European countries have not done anything yet, although they are talking about it.

Whether a product is medical, environmental, agricultural or whatever it will be regulated by this legislation. The honourable member for Malvern went through the bodies that will regulate food, medical or environmental products once the legislation is passed. Food safety will be regulated by the Australian and New Zealand Food Authority; the Australian Quarantine and Inspection Service will look at imports and exports; the Therapeutic Goods Administration will still be responsible for medicines and drugs; the National Registration Authority will look at agricultural and veterinary chemicals; and the National Occupational Health and Safety Commission will be responsible for industrial chemicals such as washing powders and detergents.

The legislation fits in. It does not change or shortcut the safeguards that come, particularly, with food safety. To give honourable members some idea of this concept, there are now well over 100 million acres a year of genetically modified food products in the world. About 75 million acres are in the United States of America. In descending order, the USA is the biggest producer; then come Argentina, Canada and China. Australia comes a long way down the list. In the 1990s we asked how Australia could get into the biotechnology area. Should we reinvent the wheel and start again? Or do we invite others in to bring their technology to apply to our plants and our applications? People have come in now and are doing those trials.

So honourable members understand, I point out that trials are being conducted throughout the United States of America and Canada, Latin America, Argentina, Chile, Mexico, Colombia, Guatemala, and Honduras. In Asia these products are being grown and trialled in China, Indonesia, Thailand, the Philippines, Japan, India, Australia and New Zealand.

There are also trials in Africa — in South Africa only at the moment; in Eastern Europe in Romania, the Czech Republic, Poland, Hungary, the Ukraine, Russia and Bulgaria; and in the Middle East in Turkey and Israel. This is a worldwide operation that is going along well and which I hope will have the same level of sophistication of regulation as we have in Australia.

I will run through some of the highlights of the biotechnological research that is under way to see where the science might take us. The University of Richmond in Virginia in the United States of America reports under the heading 'Nutrition' that:

> Research is being undertaken to add vitamin E, an anti-oxidant with a possible preventative relationship to cancer, to vegetable oils; to reduce the undesirable saturated fats of cooking oils; to increase protein quantity and quality of

> vegetable staples; and to reduce the allergenic properties of milk, wheat —

remember all those people who are caught with allergies to dairy products and gluten —

> and other products to make them available to those who are ordinarily sensitive to them. There is also research on ways to add nutrients such as vitamin A and iron to rice, a staple part of the diet in many developing countries —

particularly in Africa. The university reports under the heading 'Food vaccines' that:

> Foods such as bananas are being genetically modified to produce vaccines for illnesses ranging from hepatitis B to traveller's diarrhoea to tooth decay. The advantage of using foods to deliver vaccines is that it permits the vaccine to be consumed directly by humans or animals as food or feed, and eliminates the need for purification of the vaccine strain, refrigeration and the hazards associated with injections.

It will be some time before they are here, but they are on the way.

Under the heading 'Environmental clean-up' — something I am sure the honourable member for Doncaster will be interested in — the university reports that:

> Researchers are creating TNT-sensitive bacteria that can be useful in landmine detection as well as engineering zebra fish that can detect pollutants such as dioxin or PCBs. Scientists are also working with a number of plants to enhance their natural ability to absorb and store toxic and hazardous substances that could assist in the clean-up of contaminated soils and chemical leaks.

It is interesting that one of the plants that is very good in that area is lettuce.

Ms Barker — Lettuce!

Mr STEGGALL — Yes. Lettuce, for some reason, draws out a lot of the toxins from the soil and puts it in the leaves. If you want to destroy the toxins you can do it that way. Do not put them into highly toxic soils and then eat them because they will not be too good for you. That is just one plant; research is also being done with mint and other herbs that are also very good.

Under the heading 'Medical treatments' the University of Richmond reports that:

> Scientists are investigating ways to bio-engineer animals to produce human medical treatments —

this is now getting into the tough stuff for governments and for people —

> such as genetically modified sheep that produce fibrinogen, a major component in blood clotting that is used in wound treatment. Researchers are also genetically modifying animals to be able to use their organs for transplantation into humans —

that one is a bit of a worry —

> for example, one day scientists may be able to transform pigs so that humans won't reject their organs, a current problem with animal-to-human transplants.
>
> Endangered trees: Genetic engineering is being used to help recover trees threatened by disease, such as the American chestnut …

Also some genetic engineering has just been developed which will, we hope, counter the elm beetle, which for Melbourne may be a very important problem in the future.

The report continues under the heading 'Disease containment' to state:

> Research is being conducted to reduce the ability of mosquitoes to spread diseases such as malaria. For example, engineering mosquitoes to be resistant to the malaria parasites they host could reduce their ability to transmit the disease — which strikes some 300 to 500 million persons a year …

It goes on to talk about the decorative plants and all those lovely and pretty things we like to watch. The report states in conclusion:

> Whether today's research projects become tomorrow's products depends not only on continued scientific progress, but also on addressing concerns about environmental impact and other risks, meeting regulatory requirements, and dealing with marketplace realities. In that context, understanding the potential uses of this technology is one critical part of the process …

I now turn to the European issue. The experience in Europe has been different from everywhere else mentioned in this debate, and the European countries have put up the barriers. However, the Europeans now find themselves embarrassed because they are so far behind the Americans and other countries that the European Union (EU) is starting to get concerned about where it is going. It is interesting to see that the fierce debate over genetically modified food has gathered pace in Europe over recent years and has been led by Greenpeace, which has created quite a problem. In fact, two weeks ago the President of the EU said in a speech that it had to take the public policy issue of biotechnology away from Greenpeace and put it back into the union.

The EU agriculture commissioner, Franz Fischler, and the health commissioner, David Byrne, have released a white paper calling for a debate such as the debate we are concluding at the moment. Their first legislative proposal over genetically modified organisms in Europe will ensure a high level of protection requiring

genetically modified food and feed — they separate those two — including food and feed produced from a GMO, to undergo a scientific risk assessment prior to their being placed on the market. Victoria has had an unofficial requirement for that to occur, but new rigour is contained in the legislation before us.

The European Union is looking at enabling the consumer to exercise freedom of choice by reinforcing current labelling requirements. Australia adopted the European labelling standards — or just about their standards — at the federal level last year, and that was a positive move forward. I am a bit surprised that now — the speeches I am referring to were made last week — the Europeans are looking at taking their labelling requirement even further. That is the way they want to go, and they will probably have to do that to get acceptance of their standards. Food safety in Europe is a huge issue because there is very little trust in the regulators of food safety right throughout Europe. That stemmed from Britain and then followed in Germany, France, and Belgium in particular, following the outbreaks they had there.

The way Australia has handled the food safety issue and the role that Victoria has played in that is respected in many places around the world. When we had seminars in Victoria towards the end of our term in government, people from Europe were amazed at how far we had been able to travel. This legislation is the last bit of the regulation, as we have to get the practice right.

The other thing the European Union is looking at introducing in legislation is providing for improved, transparent and streamlined community level procedures for authorisation involving the European Food Authority, which is something we are now doing here.

The Europeans are also working on proposals for traceability so they will be able to trace back their products. Australia has that ability in most areas, where our quality assurance programs are able to be used to trace back to the farming or production area, or wherever it may be, to quickly identify the source of any problem that might occur. Each year, or each month, that that traceability goes on more and more of our farmers and food industries are adopting quality assurance programs and making that traceability factor stronger and better. Many countries will not purchase foods of high product value from us unless it has that trace-back ability through quality assurance programs.

Our current genetic modification labelling laws, which I do not need to go through now, have been adopted at the national level. They have taken a lot out of the dispute and the sting out of the biotechnology debate, and the ministers who put them through should be congratulated. We did think at the time that it might have been a bit tough, but in hindsight, while it is tough it is good for Australia.

I urge honourable members to keep an open mind on the biotechnology debate. We have a long way to go yet. Food safety and environmental protection are deeply felt issues, but the debate about GMOs must be rational if the right decisions are to be made.

I finish by drawing a direct comparison between the introduction of GMOs and the development of the internal combustion engine. In the same way as the internal combustion engine was a natural progression from steam power, genetic engineering is an inevitable progression from conventional plant breeding. When the first automobile appeared on the streets of Britain in the late 19th century there was fear and loathing: horses bolted, children cried and women hid their faces. They were different from how they are today — —

Ms Delahunty interjected.

Mr STEGGALL — It's true; that's what happened. At first the automobiles were allowed to travel at only a couple of miles an hour — that is, only as fast as a man could walk in front waving a flag. And honourable members know the rest of the story — the internal combustion engine has taken us into the air, on and under the sea, into production in factories and on farms. It has generated power and led to space travel. On the downside it has also polluted our air, clogged our cities with cars, killed and maimed hundreds of thousands of people every year in accidents and made mass destruction in war a simple matter. However, we managed the risk of the motor car and on balance are we not better off? The same is true with GMOs. We will manage this risk. We will make decisions with great care and on balance, and we will be infinitely better off.

I trust that this legislation will give people confidence and comfort in this nation's ability and willingness to properly regulate biotechnology as our society goes forward to reap its benefits.

Mr VINEY (Frankston East) — I rise in support of the Gene Technology Bill. In doing so I thank the honourable members for Malvern and Swan Hill for their indication of support for the government's legislation.

This legislation will give effect to the government's commitment to participate in a single national system

of regulating gene technology, genetically modified organisms (GMOs) and products derived from gene technology. At the moment this occurs in an environment where we have no regulations. The system in place at the moment is one of voluntary compliance with essentially unenforceable guidelines by groups utilising this fairly powerful technology in agricultural, environmental and biomedical applications.

The national system is enacted under the commonwealth's Gene Technology Act 2000 and its associated regulations. The aim of the proposed state and existing commonwealth gene technology legislation is the protection of both public health and safety and the environment from risks that might arise from the use of gene technology or genetically modified organisms. The national approach makes formal a rigorous system of proactive scientific risk assessment and management planning and provides a formal mechanism for the community and industry to address ethical and other concerns relating to the use of this technology. Complementary state gene technology legislation will ensure comprehensive regulatory coverage of all industries and institutions that currently use or propose to use gene technology as it extends the otherwise limited constitutional power of the commonwealth to regulate beyond those entities.

This bill ensures individuals, universities and state government research facilities will be subject to the same regulatory and public scrutiny for their activities in dealing with gene technology as private entities that are covered by the commonwealth legislation. It has been necessary as a result of the balance of constitutional powers between the commonwealth and the states to introduce complementary legislation in Victoria.

The legislation covers six key elements. It establishes a statutory officer, the Gene Technology Regulator, to administer the legislation; it establishes a scientific committee, an ethics committee and a community committee from which the regulator and the ministerial council on gene technology may request advice; and it prohibits persons from dealing with GMOs in research, manufacture, production, commercial release and import unless the dealing meets certain provisions under the legislation, including notifiable low-risk dealings and so on.

The legislation establishes a system to assess the risks to human health and the environment associated with various dealings with GMOs, including opportunities for extensive public input. Further, it provides for the monitoring and enforcement of the legislation. Finally, it creates a centralised, publicly available database of all GMOs and genetically modified products approved in Australia, which is extremely important as part of ensuring that the community can feel reassured about gene technology and the activities associated with it.

The Gene Technology Regulator and the three advisory committees established under the bill are those set up under the commonwealth legislation. There is no separate state-based system of regulation of gene technology being proposed which goes to the important element of cooperation between the commonwealth and the state on the matter.

I would like to note where the legislation differs slightly from the commonwealth legislation. Hence my description of it as complementary legislation rather than a mirroring of the commonwealth legislation — that is, on the subject of banning human cloning. Unlike the commonwealth legislation, this legislation does not include the provision to ban human cloning. It is unnecessary to include it because it is covered in the state Infertility Treatment Act 1995, which bans the cloning of human beings or the creation of genetically identical embryos in Victoria.

Clauses 192A, 192B and 192C link the Gene Technology Bill with the existing provisions in the Infertility Treatment Act 1995. Victoria is one of three states which already have legislation against human cloning. Victoria is also participating in the national review of reproductive technology regulation, which aims to have uniform national legislation in place by mid-2002. Due to the link in the legislation with the 1995 act it has been unnecessary to include those provisions in the Victorian legislation.

During the two years preceding the passage of the commonwealth legislation, as honourable members know, there was extensive public consultation on the proposed national regulatory framework, and the commonwealth government on behalf of the commonwealth–state government consultative working group held forums with interested stakeholders and community groups and received written submissions. The Senate's Community Affairs Reference Committee examined the proposed legislation. It held public hearings and received 125 public submissions on gene technology regulation. The report of its inquiry entitled *A Cautionary Tale — Fish Don't Lay Tomatoes* is a matter of public record, with many of its recommendations included in the final act.

The commonwealth called for public expressions of interest in membership of the three advisory committees, and at the state level the government has established the interdepartmental biotechnology safety

and ethics committee with representatives from all of the relevant departments — the Department of Human Services, the Department of Premier and Cabinet, the Department of Natural Resources and Environment, the Department of State and Regional Development, the Department of Justice and the Environment Protection Authority — to discuss processes and policy advice on gene technology regulation.

Recently the Premier signed the gene technology agreement on behalf of Victoria. The agreement establishes a ministerial council, with Victoria's representative being the Minister for Health. The government has also announced its intention to establish a Victorian biotechnology ethics advisory committee to advise it on matters of specific interest to our state.

A number of issues with the legislation have emerged in Victoria. As I touched on at the beginning, some people in the community are concerned about the legislation not because of what it does but because of what it does not do. They are concerned to see no genetic research or genetic modifications undertaken. That would ignore some of the benefits of gene technology, particularly in the area of medical research, including some of the biomedical advances that are available and have already been achieved as a result of gene technology.

Recently I was fortunate to have a tour of the Royal Melbourne Hospital, including some of its research facilities. I had a fascinating time looking at the genome research being undertaken as part of the human genome project. We have already seen benefits in the health field as a result of the medical gene technology and research undertaken. The majority of insulin is produced by genetically modified bacteria. Vaccines such as the hepatitis B vaccine can be produced through genetic modification. In biomedical research the use of genetically modified mice, also known as 'knockout mice', has led to an understanding of the functions of single human genes and their role in disease.

Part of the whole exercise of mapping human genes through the human genome project has been about trying to identify and understand diseases which are genetically based for both the management, and in the longer term the cure, of a number of these diseases. That is not to deny that there will be a number of issues the government will continue to follow and watch in this area. Significant community interest will continue in the capturing of the benefits of gene technology. The government intends that Victoria be recognised as one of the world's five biotechnology locations for the vibrancy of the industry and the quality of its research. Significant public and private investment is being made in the development of the biotechnology industry, and Victoria is determined to be at the centre of that.

There have being questions raised about the impact of genetically modified crops. It is important to note that there are no genetically modified crops being grown in Victoria for sale in Victoria. In fact the public record of genetically modified organisms shows that there are currently 66 field trial sites in Victoria and over 500 licences for dealings not involving intentional release and for notifiable low-risk dealings. The latter two categories are activities that are taking place in certain certified, contained locations.

However, embracing this technology without due consideration for managing and understanding its potential risks and for aligning its use to our community's ethical values is not an acceptable option. The government is therefore addressing such issues as how to facilitate a state agricultural profile that allows all types of production systems, be they conventional, organic or based on genetically modified plants and animals, so that these can coexist where there has been appropriate consideration of the impact on the environment, public health and public safety. All of these might then coexist. Similarly, the government will carefully consider how potential new biomedical therapeutic advances such as those promised by obtaining a better understanding of stem cells and their functions can be developed in a way that is ethically and morally acceptable in our community.

The honourable member for Malvern in his address raised a matter in relation to part of clause 6 of the bill — that is, the issue of whether the clause might require a section 85 statement. I will spend just a moment on that. A section 85 statement is required under the constitution when a bill seeks to limit the jurisdiction of the Supreme Court. Clause 6(2) of the bill does not require a section 85 statement. The clause provides that the Crown cannot be rendered liable to be prosecuted for an offence under the bill. That provision simply declares the constitutional position in Victoria — that is, that unless a bill says expressly otherwise, the Crown, even if it is bound by an act, cannot be rendered liable for a prosecution. The bill does not provide that express exception and therefore the Crown cannot be rendered liable to prosecution. The bill merely clarifies that position; therefore no section 85 statement is required. I might add that it is pretty unusual for a bill to make the Crown liable for prosecution, and this bill does not do that.

I draw to a close by saying that the legislation puts in place regulation where currently only a voluntary code

exists. It provides protection for our community, and is complementary to the commonwealth legislation. It has gone through extensive consultation and consideration in the community, and while the government is aware of and understands the concerns of some members of the community on the legislation, I hope those community members who have doubts about gene technology and its opportunities will recognise that the bill puts in place regulations where currently none exist. I therefore commend the bill to the house.

Mr PERTON (Doncaster) — The Gene Technology Bill is at the centre of international debate and discussion. It is good that this Parliament is dealing with the issue of gene technology, which is the stuff of dreams and of nightmares. What I find odd and unusual in the debate is the lack of passion it has provoked in the public. The honourable member for Frankston East referred to people's fears in relation to genetically modified foodstuffs, and yet, in my case, I may have had two or three letters and one or two phone calls about the bill. I wonder whether there is an underlying sense of angst in the minds of the community that we have not picked up.

Gene technology offers remarkable improvements in human health, in human lifestyle and in our ability to maintain and improve the environment in which we live. It is quite possible that within our lifetimes the notion of living to 100 or 120 years of age in good health and with sound mental faculties will be available to most of us. That will occur because of a wide range of researchers having looked at improving medicines and foodstuffs — and even, for example, at permitting the use of other animal species to grow organs which can be transplanted into human beings.

In addition to all that — particularly in Victoria, which has been such a leader in biotechnology — the economic benefits in the field are undoubted. One knows that in Victoria, as a result of work done in the 1970s and 1980s by previous Liberal and Labor governments, and certainly under the Kennett government, biotechnology companies have become very important to the Victorian economy.

A report produced by the government in October 2000 showed the strong legacy of that early development. The report shows that Victoria has 55 per cent more dedicated biotechnology companies per head than the rest of Australia, one-third of Australia's 185 dedicated biotechnology companies, and almost 60 per cent of Australian biotechnology companies by market capitalisation. The report shows also that it is a fast-growing business; as of October 2000, more than one-third of Victoria's dedicated biotechnology companies had been started within the last 18 months.

The companies that are important in the field in Victoria include Australia's largest biotechnology company, CSL, as well as the Institute of Drug Technology Australia, Autogen, AMRAD Pharmaceuticals Pty Ltd and Biota Holdings. As you would be aware, Mr Acting Speaker, given the proximity of your electorate to many of those corporations, companies such as Glaxo Wellcome, Nufarm Australia Ltd, Axon Instruments and Alpharma all have important research and production facilities in Victoria.

It is very easy to get carried away by the economic benefits in this area. We must consider how we can regulate these developments in a way that does not hamper the good but does limit some of the negative effects. It is becoming more difficult for us as parliamentarians to deal with the changes. The pace of change is constantly accelerating. The management teacher, Professor Ackoff, writing almost 20 years ago talked about the fact that in previous centuries change could be put off, not just to the next incumbent in the position but to the next generation. As we move on, change presses us in our very lives and work.

The challenges to us in biotechnology and related fields are dramatic. Biometrics, nanotechnology, health informatics, cyber implants, stem cell biology, human cloning and artificial intelligence, just to name a few, were not part of the politicians' lexicon 10 or 20 years ago. To the extent that they were aware of those terms they were very much the stuff of science fiction. Convergence in these fields is leading to new and very rewarding possibilities and extraordinary experiments.

In an article published on the Multimedia Victoria resource site a very good Victorian commentator, Dr Terry Cutler, talked about the next big thing being the convergence of information and communications technology and biotechnology. Victoria is certainly ideally suited not just to research that area of convergence but to take advantage of it.

For instance, in work that was reported in the *Age* last week, a research team in Germany merged computer chips with living tissue, yet because perhaps neither the members of the media nor politicians are fully equipped to deal with these issues, it passed with only minor comment in some technical journals, in the *Age* newspaper and, as is indicated by one of the researchers who sent me the material, in the *Washington Post*. The article states that the members of the German team reported that they connected neurons from a living snail

to a semiconductor and established a two-way connection, which they called a biodirectionally interfaced neuron pair. As the author says, it sounds a lot better in German.

It is the stuff of science fiction, movies or the cyborg to actually merge living tissue with computer technology. It sets us as members of Parliament challenges and issues that would have been inconceivable years ago. If we get it wrong, we cannot say, 'Whoops, we didn't intend to let that happen!'. The future as shown in *Mad Max*, of weed-infested deserts, is just as much a possibility from gene technology that is not well regulated and well controlled as is the good that we have talked about.

For instance, if we consider the events in the United States of the week before last and the fears people have of further terrorist attack, whether by way of gas, disease or nuclear device, the misuse of gene technology and its use to modify human disease is something that worries people. That worry is the reason that we must legislate and deal with the concerns.

A poll conducted last year by A. C. Nielsen indicated a great concern among Australians, with 93 per cent of the respondents to the poll having said they wanted genetically modified (GM) food identified with labels and 65 per cent of people having said they would not want it on their plates. There may have been defects with the polling method, but people who have travelled to Europe recently have reported to me that German supermarkets certainly have very prominent 'No GM food' advertising, and the same is happening in Japan. These are matters of grave concern to the community.

Scientists tend to be a little divided on the matter. In a speech made almost two years ago to the day, Dr Annabelle Duncan, chief of CSIRO molecular science, said:

> … because of the speed of developments in gene technology there has not been time for much public discussion.
>
> Many people are unaware and uninvolved in the process and they believe that decisions are being made too quickly and without sufficient public consultation.
>
> There needs to be a wide-ranging discussion because the concerns are diverse. There is for example concern over corporate hegemony; over why a company should be allowed to own gene sequences. A crop that is resistant to herbicide can be kept weed free more readily since it can be sprayed with that herbicide without effect. Thus yields of that crop will be increased to the economic advantage of farmers. But when the same company owns the right to the seed and also manufactures the herbicide there does tend to be some public cynicism.

That contrasts with comments made at about the same time by Dr Jim Peacock, the chief of CSIRO plant industry, who talked about gene technology giving researchers an unprecedented understanding of how plants grow and function and said that it is truly revolutionising modern biology.

What has that led to? What are the things we are dealing with? We are dealing with insect-resistant crop plants. We are also dealing with virus-resistant plants that are genetically engineered to resist certain viruses; herbicide-resistant or herbicide-tolerant plants, the most prominent of which are the Monsanto Roundup-ready soybeans; and crop plants genetically modified to resist other pests like fungi or roundworm. One could go on, but the debate time is limited.

There is also the issue of transgenic fish, which may soon be farmed for human consumption. One has only to go to the CSIRO web site to see the work that is being done. I pick up the comment of the honourable member for Malvern that I would address some of the environmental issues. One has only to recall the great debate in Victoria over the past year about the impact, for instance, of the Northern Pacific Sea Star. In its work on gene technology the CSIRO is looking to use genetic solutions to introduced animal species that have gone feral. That work is described at CSIRO's web site. It says that scientists at the CSIRO's marine science, wildlife, ecology and entomology departments are working to develop a technique called repressible sterility to control pests. The technique involves attaching a special genetic switch to a vital gene that controls fertility. Once the genetically modified pest was released into the wild it would become sterile and unable to breed. This may be the only way to control freshwater and marine pests. There are many similar projects under way.

This is one piece of legislation in an area where society is moving very rapidly, and as I said, there is an ability to merge computer technology with what we are doing. Some people surmise that the ultimate result of this sort of work may be that we may use computer chips attached to our central nervous system to increase our memory or to increase our intellectual processing power. We already see devices of a rudimentary nature that improve people's hearing and sight, where biotechnology merges so closely with information technology that the differences between the two are very difficult to identify. In short, huge moral and ethical issues arise that have never arisen before.

Take the example of a vegetarian. What is the reaction of an ethical or a religious vegetarian to a tomato, for instance, that has had fish genes spliced into it? I know

the honourable member for Swan Hill said, 'Well, the evidence is that we are not that different'. Given the time we cannot go through it all, but there is a great deal of recent documentation that shows there is not a very large variation in the deoxyribonucleic acid (DNA) structures of different creatures. The argument the honourable member for Swan Hill put was that taking a gene from a fish was not all that different from taking a gene from a plant and splicing it into another plant, but they are new moral and ethical issues.

The bill the house is passing today places a great deal of trust and faith in the expert committees it is setting up — expert committees that will be there to look at the science, morals and ethics. We are placing a great deal of faith in those people. The message from the public is clear in all the polling that has been done: the public expects us as politicians to be extremely vigilant.

In one of the letters that was sent to me — I shall take just a minute of the house's time to read some of this — a person with a great deal of passion in this area wrote:

> Field of dreams or seed of despair?
>
> Gene technology … has profound implications for the health of Victorians, our environment, and the future of agriculture.
>
> Is it not a powerful symbol of what is wrong in our society — economic power over the welfare of people and the environment?
>
> Proponents of genetically modified foods claim we can feed the impoverished, malnourished people of the Third World — people in the Third World countries are hungry because they have no money to buy food — not because they are unable to grow it. Attempts at engineering staple crops for these people have failed and will continue to fail because a single crop will not keep these people healthy — diversity in the diet is ignored, and vitamin deficiency or toxicity is the result in most cases.
>
> Another selling point for GMOs is increased productivity for farmers — again — at what cost to the environment and the farmer?

That is from an intelligent person who has reflected on these views and who I think would probably oppose this legislation rather than accept it.

This legislation will proceed through Parliament with the support of all three parties because it sets up a structure which provides at least an element of research. It provides an advisory structure which includes the moral and ethical aspects of it, but every parliamentarian must keep abreast and be aware of these developments.

A headline in the *Age* last year stated 'Human, pig DNA swapped locally'. These things that are happening in our society raise very difficult moral and ethical issues. I know that members of all three parties will keep a close eye on these developments. We will have to place great scrutiny on these regulatory bodies to which we are delegating power because literally the future of mankind relies on the developments in the fields of biotechnology, gene technology and genetic engineering. We will be very much the richer for it so long as we are prepared to fight against the possible adverse consequences.

Ms LINDELL (Carrum) — It gives me great pleasure tonight to join the debate on the Gene Technology Bill. I say from the outset that I have particularly enjoyed sitting here and listening to other honourable members, including the honourable member for Malvern and the honourable member for Swan Hill, who did not leave much more for anyone else to add to the debate — his knowledge and experience of this issue are undoubted. Following on from the honourable member for Frankston East and the honourable member for Doncaster I appreciate the good faith, commonsense and amazing effort of people in acknowledging that these issues are very serious. They raise moral and ethical dilemmas in our community, in ourselves and in the whole political process.

I am certainly delighted as, I suppose, a relative newcomer to the parliamentary system that we can get to the level of debate we have reached tonight. The importance of the subject of this bill cannot be overemphasised. The use of genetically modified organisms to progress the cure of debilitating diseases, many of them today's major life-shortening diseases, really has to be acknowledged and supported, while we also have to grapple with the threats to the environment that can be posed by the unregulated use of GMOs.

If we think of the consultation process that went into the development of the commonwealth act, which this bill complements, we realise that two years of consultation involved all levels of government, all the major stakeholders and community input. That has actually led to a very good and sensible regulatory regime. The Senate's Community Affairs References Committee actually acknowledged that as a result of that reference many changes were made to the proposed legislation. I think all of that has led to the development of legislation that is supported across the political spectrum.

While many people bemoan the length of time that consultation and the development of legislation sometimes take, when you end up with the regulatory regime that we as a nation have ended up with the leaders need to be congratulated. I certainly

congratulate the federal government on the manner in which it has gone about establishing its legislation. It shows an acknowledgment of the level of concern in the community about gene technology.

The commonwealth Gene Technology Act set up a system of control in Australia. Before the act, gene technology was carried out on a purely voluntary basis and overseen by an independent advisory committee. The bill we are debating tonight will be part of and complementary to the national regulatory scheme and will ensure that the national legislation covers the universities, individuals and state agencies dealing with gene technology which would otherwise not have been covered under commonwealth law.

The bill establishes a statutory officer, the Gene Technology Regulator, and three advisory committees on scientific, ethical and community concerns. The regulator and the three advisory committees set up under this bill are also those set up under the commonwealth legislation. This bill does not establish a separately based regulatory regime.

I wish to follow up on the quote the honourable member for Doncaster read from a letter he had received from a community member who was concerned about the introduction of gene technology and the threat it poses. I will quote from Ismail Serageldin from the World Bank, who said, as reported in the government publication 'Biotechnology — strategic development plan for Victoria':

> Biotechnology will be a crucial part of expanding agricultural productivity in the 21st century. If safely deployed, it could be a tremendous help in meeting the challenge of feeding an additional 3 billion human beings, 95 per cent of them in the poor and developing countries, on the same amount of land and water currently available.

We can see from that statement, coupled with the letter quoted by the honourable member for Doncaster, that the dilemmas are faced by us all, both politicians and community members. Used safely, gene technology and biotechnology offer the world a new way forward. Inappropriately developed, without a strict regulatory framework, they offer us the path to doom. I did not pick up on this before, but when the honourable member for Swan Hill talked about the invention of the internal combustion engine — —

An honourable member interjected.

Ms LINDELL — It was a terrific speech. He spoke about the introduction of the internal combustion engine — not only the good but also the bad that has come from it. We face the same dilemma with gene technology. There are immense advantages, but we must be very careful and mindful of the disadvantages. I wonder whether similar debates were held in parliaments around the world when the internal combustion engine came along. Somehow, I do not think so. I am very pleased to support the bill and wish it a speedy passage through the house.

Ms McCALL (Frankston) — My contribution to the debate on the Gene Technology Bill will relate very much to the image of the brave new world that is appearing in a number of pieces of legislation that we have received before this house. In previous times we have discussed issues about DNA and forensic investigation; we are now moving into having discussions on issues about genetics and gene technology.

In the time remaining before the adjournment debate, I will share with the house the memories I have of a long time ago when I studied biology at school.

An honourable member interjected.

Ms McCALL — A long time ago! When you are doing some subjects at school you wonder how on earth they will be relevant when you grow up, so you say to yourself that you will learn them by rote. I remember my biology class when we cultivated broad beans on cotton wool in a bell jar. One of the exercises was to learn all about genetic crossovers of green beans, brown beans and black beans, and how you can create a stronger strain of bean by crossing stronger strains with weaker strains. That is a simplistic example, but that was what genetics was all about — creating a stronger strain of bean without defects and learning the difference between dominant and recessive genes. We also learnt about Mendel's theory on why people have blue, brown, green or grey eyes.

In that day and age all those things were seen in a very simplistic way. They explained in a general way the very basics of nature. I am delighted to say that we have come a great, long way in my lifetime. We are not experiencing a situation like that in John Wyndham's *The Day of the Triffids* or pineapples taking over the world. We now have a recognition that genetics and genetic manipulation — if you want to use that term — can be of great benefit to humanity.

The bill before the house is excellent legislation. As we move into that brave new world the bill will act as an acknowledgment that there must be stringent regulation and protection, and above all else a recognition of the need to ensure community safety. If we are going to tamper or tinker with nature in its rarest and most obvious forms we must ensure that the public is

protected by having the regulations in place to ensure that that is exactly what happens. We also need to ensure when regulating that contributions come from the broadest base within the community and that all the regulations in the commonwealth legislation are mirrored in the state legislation.

The DEPUTY SPEAKER — Order! The time allocated for discussion of the bill has now expired. The honourable member for Frankston will get the call when the debate resumes.

Debate interrupted pursuant to sessional orders.

ADJOURNMENT

The DEPUTY SPEAKER — Order! The time for the adjournment of the house has now arrived. The question is that the house do now adjourn.

Member for Benalla: conduct

Mr McARTHUR (Monbulk) — In raising an issue for the attention of the Premier I request that he take action to deliver on the commitment he made on behalf of his government to rural Victoria and particularly to residents of small and isolated country towns. I refer to a press release issued on Monday, 18 October 1999, by Mr Steve Bracks, MP, the then leader of the Labor Party, which states:

> On behalf of the Labor Party, I am extremely proud that the people of Victoria have given us the honour of forming government.
>
> We will return that faith … by governing for all Victorians and all of Victoria.

I ask that the Premier take up his pledge and deliver on that promise to the people of Porepunkah.

I met with residents of Porepunkah on Friday, particularly with the members of the Porepunkah sewerage plan working party and its chair, Patrick Cox. They had gathered a petition of over 250 signatures from a very small town of 200 or 300 residents. They requested that their local member meet with them and receive the petition, but their request was ignored. I was stunned to read in the *Border Mail* this morning comments made by the honourable member for Benalla, who is quoted as saying:

> Haven't they got a nerve asking me to do that for them.
>
> …
>
> I don't make an appointment with them, they make appointments with me.
>
> Who do they think they are?

An Honourable Member — What arrogance!

Mr McARTHUR — I request that the Premier take action to counsel the honourable member for Benalla about how she should go about representing people in isolated rural communities. I also request that he further counsel her on the promises he has made to all Victorians, no matter where they come from, that she should not subvert his promise and that she should be more generous with her time and in her actions.

Disability services: Dandenong

Mr LENDERS (Dandenong North) — I ask the Minister for Community Services to support some community partnerships in my electorate.

As the minister is aware, Wallara Australia is an organisation that supplies disability support services in my electorate in partnership with the Department of Human Services and a lot of other providers. Wallara has offered its services to a number of clients, but in particular it has worked in partnership with the Dandenong North Uniting Church. Through an organisation called the Dorothy Bailey House and its wonderful work in its opportunity shop and a number of other areas, the church has raised funds to the tune of around $10 000 a year. Dorothy Bailey House is offering to work in partnership with the state government to provide some disability services in a format where they provide some capital and seek support from the state for further assistance.

Dorothy Bailey House is a wonderful organisation that is capably chaired by Max Oldmeadow, who is a pillar of the Dandenong North Uniting Church and a great community member. In combination with Bob Pascoe, the chief executive officer of Wallara, he has done some fantastic work as a result of which programs have been implemented and a number of clients moved into homes. Dorothy Bailey House is provided with some capital, and it seeks further support from the state and other organisations.

I ask the minister, who I know met with these very worthy people when the community cabinet met in Berwick a short time ago, whether there is anything she can do within her portfolio to assist this worthy community partnership. I know that times are tough and money is always short, and I would not want to pre-empt anything the minister can offer, but I ask if there is anything she can do to assist in the development of these partnerships and to help continue the good work that is already being done in my electorate.

As I said, she met with these good people when the community cabinet was in Cranbourne — although I

did say Berwick! Can she offer any assistance and any general guidance as to how partnerships in this community can work for the benefit of the clients of the groups and the community organisations that are prepared to work with the state government to achieve great outcomes for my constituents? What can the minister do to help? I look forward to her response.

Victorian Concert Orchestra

Mr JASPER (Murray Valley) — I raise a matter for the attention of the Minister for the Arts. One of the great success stories in Victoria has been the Victorian Concert Orchestra, which has been operating since 1926 under the patronage of successive premiers. The future of the orchestra is in great doubt because of a lack of funding support from governments.

In the 1980s the Labor government started reducing funding to the orchestra, and during the 1990s the coalition government continued to reduce its funding. During the 1980s $70 000 was provided annually, and it was reduced to $35 000 in round terms through the 1990s. I was disappointed when in the last year of the coalition government funding to the orchestra was not guaranteed at all. On the change of government I was pleased when $35 000 was approved by the Minister for the Arts to see that the Victorian Concert Orchestra could keep going.

The difficulty for the orchestra is that although it provides magnificent concerts for people in country Victoria, it does not get enough funding. That is the key we need to be looking at: the orchestra needs appropriate funding to be able to provide these concerts in country Victoria.

The orchestra has performed to large audiences on many occasions in my electorate, usually on a Sunday. The members of the orchestra come up to country areas to perform about 20 concerts per year. Earlier this year one of the best concerts was given during Senior Citizens Week. I have here the poster that was put up around Wangaratta. The Minister for Aged Care came up to Wangaratta to launch Senior Citizens Week in country Victoria and the orchestra performed a great concert for 500 people in the Wangaratta town hall. There was a range of entertainment, with three great singers, and the support from the people of Wangaratta was outstanding.

The minister wrote to the chairman of the concert orchestra, Ron James, OAM, who has been president of the orchestra for almost 20 years on a voluntary basis. The minister congratulated him on the concert orchestra and on what it is doing. However, unless the orchestra is satisfactorily funded it will disappear.

The government needs to take stock of this situation. Country people deserve to have the continued operation of the Victorian Concert Orchestra, which needs to be supported by successive governments and premiers. It has been under the patronage of the Premier's department, which is looking to shift it across to arts. If that happens there needs to be support, because the orchestra has been losing its support. Its members cannot even park here on Sunday when they go away to country Victoria, which is an outrage and should be reviewed immediately by the House Committee. A truck that was provided, with costs, has been taken away and funding has been reduced. The minister must ensure the future of the orchestra so it can continue to perform and help people in country Victoria.

Spring Street, Reservoir: traffic control

Mr LEIGHTON (Preston) — I refer the Minister for Transport to some serious concerns I have about Spring Street, Reservoir, particularly the stretch between Viola and Cleeland streets outside St Gabriels Primary School. I ask the minister to install pedestrian traffic signals to replace the current school crossing, which is extremely unsafe. There have been a number of near misses of kids on the crossing. Tragically, two years ago a student teacher was killed on the crossing. Outside of school crossing hours, although the flags are out, it is not a controlled crossing, and the student teacher was killed on one such occasion.

The school crossing supervisor has been observed by council officers having to jump out of the way of traffic that refuses to stop. Part of the problem is that there are two intersections just to the north, a couple of hundred metres away — at Spring and Edwardes streets, and at Spring Street, High Street and Cheddar Road — so the traffic travelling south travels through those two intersections and it is fair to say that a number of motorists are not prepared to stop 200 metres down the road at a school crossing.

The council has undertaken a traffic count. During an afternoon pedestrian peak hour 1800 cars have gone by. What horrifies me is that the average speed of the cars is 71 kilometres an hour in a 60-kilometre-an-hour zone. If any stretch of road outside a school was a candidate to have its speed limit cut to 40 kilometres an hour, this is one such stretch. It is certainly heavily policed. There are speed cameras there and further down Spring Street, but motorists keep speeding. I believe there will be a tragedy if action is not taken to install traffic signals.

I have had representations from parents; and I have met officers of the City of Darebin, who support the installation of signals. It is a priority for the community I represent. Spring Street is a primary arterial road. It is the only primary arterial road in the municipality that does not have pedestrian traffic signals for a school crossing. I would be grateful if the Minister for Transport would agree to the installation of signals at that school crossing.

Disability services: funding

Mrs ELLIOTT (Mooroolbark) — I ask the Minister for Community Services to reverse in the next financial year the decision she implemented this year to impose a productivity saving of 1.5 per cent on non-government organisations in the disability services sector.

I refer to a letter I received from Mr Anthony Kolmus, the executive director of Melba Support Services. It was a copy of a letter sent to the minister on 19 September, and it states:

> I am writing on behalf of the Melba Support Services Inc. board of management to express the board's utmost concern, and shock, at the government's decision to impose a productivity saving on non-government organisations in the disability services sector.

He refers to a letter received from the minister on 25 July that states that the reduction in funding will equate to 0.3 per cent of the funding the service receives. Mr Kolmus says:

> Whilst this may not seem like a significant reduction, for Melba it equates to a cut of approximately $12 000. Given that the reduction is supposedly aimed at overhead costs, this amount equates to a reduction of almost one and a half days per week in our administration officer position or, alternatively, one-third of the cost of replacing one of the buses we operate in order to facilitate community access programs for the people we support.
>
> …
>
> We sincerely hope, and expect, that this will be the last productivity saving imposed on non-government disability service providers by the Labor government.

I am familiar with the services Melba provides. It has already been hit by huge Workcover increases earlier in the year.

As the head of Wallara, Mr Bob Pascoe, said to me, 'We do not have pools of unspent cash'. He referred to the fact that with the increase in gambling which the Labor government has done nothing to stem, the rate of giving from the community has been reduced and it has almost no fat on which to draw to make these productivity savings.

This is a serious matter. It costs 30 per cent less for these non-government agencies to deliver services to people with an intellectual disability than it costs in government services. Under the previous coalition government these productivity savings were absorbed by the department and not passed on to non-government agencies. I therefore implore the minister to reverse this unfair financial decision in the next financial year.

Housing: Greater Dandenong

Mr HOLDING (Springvale) — I ask the Minister for Housing to take urgent action to address the crisis accommodation needs of the people of Springvale and the City of Greater Dandenong, part of which I represent. Honourable members would be aware that last June the Premier and the Minister for Housing launched the Victorian homelessness strategy. To kick-start the development of the strategy the Premier announced $7 million in funding for four crisis accommodation services in outer suburban Melbourne and regional Victoria. These services were also going to receive $1.3 million annually for operating costs.

Honourable members would be aware that Melbourne's outer suburban areas were badly neglected during the seven dark years of the Kennett administration. Housing services were cut and people and families in need had to travel to inner city areas to receive assistance in such areas as financial aid, welfare support and crisis accommodation referrals. These people, who were the victims of the savage cuts by the previous administration, were of course the most marginalised people in the community — that is, the people most in need of advocacy and referral services, the people most in need of support and assistance and therefore the people who suffered most because of the cruel neglect by the previous administration.

Honourable members would also be aware that the social housing innovations project is currently under way. I will briefly refer to the need to develop crisis accommodation in Greater Dandenong — —

Mr Leigh — Are you still living at that post office box in Noble Park?

Mr HOLDING — Unlike the honourable member for Mordialloc, I live in my electorate. I ask the minister to address the acute crisis accommodation needs of the people of the City of Greater Dandenong, particularly given the city's socioeconomic profile; its large migrant population, particularly the growing community from the Horn of Africa, which has acute accommodation crisis needs; the aged community; the

youth population — the municipality has a generally vulnerable youth population in terms of housing, which is exacerbated by high youth unemployment and the incidence of drug and alcohol abuse; and finally, the at-risk community.

Honourable members would be aware that many people with mental health problems have acute crisis accommodation support needs. I ask the minister to take urgent action to address the crisis in accommodation.

Libraries: funding

Ms BURKE (Prahran) — I raise for the attention of the Minister for Local Government a query about his comments regarding funding for library resources and facilities in the Shire of Murrindindi and their inconsistency with his stated position on library funding for the area covered by the North Central Goldfields Library Corporation. I ask the minister to examine the situation facing libraries in his electorate and to act creatively to find a solution that will give library services to the people of the north central goldfields region.

It seems odd in the extreme that the minister, whose own electorate covers the library corporation in question, can argue that there are no funds for mobile library services in the north central area or even funds for maintenance. The area of Loddon does not even have a municipal library, so people rely heavily on mobile libraries. The minister has spent a great deal of time claiming that the government is pouring bucketloads of money into public library services in Victoria. Of course any additional funds are welcomed by the community, but the manner of targeting this money obviously requires greater analysis.

In a press release in his name dated 15 February 2000 the minister said that libraries bring families together, from schoolchildren working on their homework assignments to mums and dads researching hobbies and looking to increase their skills for jobs. In the north central goldfields area honourable members know that is a serious matter. If the minister believes that he should back what he presumes by ensuring that greater funding is available to all libraries in all areas. The Liberal Party has a proud record of funding libraries, so its members can speak on achievements that can stand against any Labor minister so far.

Regional library legislation was passed in 1994. There was even a library made up of seven councils in New South Wales and three in Victoria, based at Albury. The Liberal Party when in government gave additional funds for Internet services, and all libraries now have access to the Internet. It also started new programs on innovative book services and provided new ways for people to learn and use their libraries. The Liberal government gave funds for new libraries in the municipal system, including mechanics institutes and the Institute for the Blind.

There are many examples where the Liberal Party has been proactive. If the minister is to be true to those he serves as Minister for Local Government he should increase funding for libraries. I ask the minister to examine the situation facing libraries in his electorate in particular and to act creatively to find a solution that will provide library services — —

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

Richmond school site

Mr WYNNE (Richmond) — I raise a matter for the attention of the Minister for Housing. I refer particularly to a vacant school site in Griffiths Street, Richmond, which as honourable members would be aware is contiguous to the old Richmond Girls High School site. Honourable members would also be aware of the infamy surrounding that particular site and its closure by the former Kennett government — a disgraceful chapter in the history of the former government. Nonetheless that site is being reutilised and is currently going through a refurbishment for the Lynall Hall Community School.

The former primary school site next door is vacant. As I have indicated in the past, public assets such as these provide excellent opportunities for refurbishment for other uses. Indeed it is a perfect opportunity for the government to purchase the Griffiths Street site for much-needed public housing in the Richmond electorate.

As the minister has indicated in previous announcements, the Bracks government has committed $94.5 million to a social housing innovations project, including the development of joint venture partnerships with local government and community-based organisations to deliver, over the period of this term of government, more affordable public and social housing in Victoria. In a bipartisan way both sides of the house would applaud this initiative. We saw seven years of the downgrading of public housing, and my electorate suffered the ravages of that particular social policy.

It is vital to provide an enhanced level of affordable housing for low-income people in my electorate at a time when the Office of Housing's own report shows

an average 12 per cent increase in the cost of private rental accommodation in the Richmond area. Low-income people are being squeezed out of the inner city. This is a fantastic opportunity for the government to take up this site, which is held in public ownership, and the possibility of developing an innovative package of public housing, perhaps with an element of private sector partnership, is something I hope the minister will take action on.

Minister for Police and Emergency Services: statements

Mr LEIGH (Mordialloc) — I ask the Premier to discipline and make one of his members apologise to Mr Tom Love, who lives in Epping. During the last state election the now Minister for Police and Emergency Services, the honourable member for Yan Yean, said in some material, which I will make available:

> The Liberal government denies it has plans for a toxic dump to be located in Epping.
>
> Fact: but the Liberal government refuses to state where the toxic dump will be located after plans for a Werribee toxic dump were scrapped. Department of Infrastructure sources have revealed that the Love's quarry on Cooper Street is one of a number of sites for a toxic dump under consideration …

After Mr Love's solicitor wrote to the department he received a letter back on 4 December 2000 in which Mr Paul Jarman, the acting regional manager of the metropolitan north-west office, says:

> As far as I am aware no person in this office or any other — —

Mr Holding — On a point of order, Deputy Speaker, I have been listening very carefully to the honourable member for Mordialloc and I cannot see how the matter he wishes to raise can fall within the ministerial competence of the Premier.

The DEPUTY SPEAKER — Order! The honourable member for Mordialloc will continue.

Mr LEIGH — I appreciate the childishness of the honourable member for Springvale. The department says that no person is aware of a prescribed site — period. It is a fib, a mistruth! Damage was done to Mr Tom Love, whom I have met only twice, on road issues. He is a very decent family man who lives in the Epping community and is a citizen who has probably made a far greater contribution to his community than the current member for Springvale has to his.

If the Premier is going to be transparent about the actions of his government, his police minister — who is supposedly involved in justice — should publicly apologise, because unfortunately the minister cannot tell the truth.

Carers Week

Mr LANGDON (Ivanhoe) — I seek action from the Minister for Community Services. I ask what action the government will take to assist the celebration of Carers Week, which as honourable members may or may not know will be held between 21 and 27 October of this year.

The house may recall that Carers Week has been going for quite a few years, having commenced back in the early 1990s. The week involves a whole lot of events, including meetings in Melbourne and regional centres, educational workshops, outings, luncheons — —

Mr McArthur interjected.

Mr LANGDON — If members on the opposition benches had listened to my comments they would know that in my very first sentence I asked what action the government will take to assist in the celebration of Carers Week.

Honourable members interjecting.

Mr LANGDON — I asked what action the government will take to assist.

The DEPUTY SPEAKER — Order! The Chair will give advice as to whether or not it is an appropriate action.

Mr LANGDON — I shall attempt to ignore opposition interjections. Unfortunately the opposition's attack on me is not allowing the message to get across about Carers Week. It is obviously an important week for carers and the opposition should get behind it instead of trying to attack me for not doing this correctly, even though I am.

As I was trying to say, the events held during Carers Week in Melbourne and regional centres include workshops, outings, luncheons and gatherings for carers. The focus of the week is to celebrate the role and contribution of carers and to provide them with the opportunity for enjoyment. In 1999 the government assisted by contributing $5000 to Carers Week, and last year the Minister for Community Services — an outstanding minister — contributed $10 000 in non-recurrent spending.

Carers Week is obviously something that is held each year, and it seems a shame that the organisers have to

come back to the government year in and year out to get more money. I ask the minister what action she is taking to ensure that the organisers have ongoing funding to celebrate Carers Week and to ensure that community carers get the maximum enjoyment out of it. The Minister for Community Services is an outstanding minister, and I am sure she will understand that community carers need the government's support and need to enjoy all these activities.

I am looking forward to a very positive response from the Minister for Community Services, as Carers Week is obviously worth having and worth doing well.

Robinsons Road, Frankston: traffic control

Ms McCALL (Frankston) — Unfortunately this is the third time I have had to raise this issue with the Minister for Transport, and I would like him to take some action this time. The issue relates to the installation of traffic lights at the corner of Robinsons Road and the Moorooduc Highway. Regrettably a fatality was recorded at that corner this weekend when a 30-year-old pedestrian was killed on Saturday night or early Sunday morning.

I want to know what action the minister will take to get some traffic lights installed at that intersection. How many more members of the community have to be killed or seriously injured and how many more fatalities have to be recorded on the Mornington Peninsula before the Vicroads funding to both the Frankston City Council and the Mornington Peninsula Shire Council is in direct proportion to that of the Greater Dandenong and Casey shire councils?

The fatality that happened on the corner of Robinsons Road and the Moorooduc Highway on the weekend is yet one more fatality on the Mornington Peninsula. The total is double the number of recorded fatalities for this time last year. I ask the minister for immediate action. I and the community want, and everybody demands, the installation of traffic lights at the corner of Robinsons Road and the Moorooduc Highway.

Responses

Ms PIKE (Minister for Housing) — I thank the honourable member for Springvale for his question, because he has raised with me the action required to better respond to the needs of people in his community who are experiencing homelessness.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The honourable members for Mordialloc and Springvale can go outside if they want to yell at each other.

Ms PIKE — I am very pleased to advise the honourable member that I recently launched a crisis accommodation service in the Greater Dandenong area which will be run by the Hanover Welfare Services. The service is responding to a clearly identified need for services close to people's communities so they will not have to move to identify and access services in inner city areas.

This service will consist of a purpose-built, nine-bedroom facility. A number of adjacent properties will also be purchased to accommodate the needs of people living in the municipalities of Dandenong, Casey, Cardinia and Frankston. It will be a comprehensive service helping people 24 hours a day. The government has allocated $1.03 million to build the nine-bedroom facility, and it will also be increasing annual funding for homelessness support services required in the Dandenong area from $450 000 to $750 000.

The honourable member for Richmond again raised with me the vital need for additional housing for low-income earners in his electorate. Clearly in areas like Richmond there is an escalating cost in private housing rentals, and the government is committed to ensuring that people on low incomes have access to housing in inner city areas, where they can have access to schools, public transport and other services they require. I am pleased to advise the honourable member that the Office of Housing recently purchased the former Richmond Primary School site. This $12 million investment builds on our commitment to redevelop the nearby Richmond public housing estate. It has the potential to provide 66 homes and is a terrific site close to transport, shopping centres and community services.

The buildings on the site will require about $8 million of investment, so in addition to providing housing that investment will create around 70 new jobs as well as a significant flow-on for local businesses, schools and traders in the area. The government will work closely with the City of Yarra to ensure that it is a good development which is environmentally sustainable and will connect in well with the local community.

Ms CAMPBELL (Minister for Community Services) — The honourable member for Ivanhoe raised a matter relating to Carers Week, which is an important week for people with disabilities and their families and carers. It is important for the members of

Carers Association Victoria, which is ably led by the capable executive director, Ms Maria Bohan, to have some sense of continuity in their funding rather than waiting for annual decisions by the minister and the Department of Human Services.

As the honourable member for Ivanhoe put on the public record, carers provide support to people with disabilities and others in our community on a recurrent basis, and their funding should be allocated accordingly. In 1999 carers were allocated $5000, and last year the allocation was $10 000 on a non-recurrent basis. I am pleased to inform the honourable member for Ivanhoe that this year I will be writing to Ms Maria Bohan to tell her that the work of Carers Association Victoria is very much appreciated and that the government is going to make $10 000 available on a recurrent basis. The Bracks government delivers! The disability services division will be ensuring that the event celebrates the role and contribution of carers.

The honourable member for Dandenong North, also a proactive member for his community, spoke on the need for community partnerships with the Dandenong North Uniting Church and Wallara Australia, a well-known disability organisation in the honourable member's electorate and beyond. I had the opportunity to meet with Mr Max Oldmeadow and some of the church congregation, as well as Mr Bob Pascoe, at the community cabinet in Cranbourne, where they presented a strong case to the Department of Human Services southern region director.

As a result of an assessment by the DHS southern region of an interesting partnership proposal I am happy to inform the honourable member for Dandenong North that the department will be able to provide an innovative new arrangement whereby people on the disability services register with lower support needs will be provided with infrastructure from the Uniting Church — and what a good congregation it is for doing this — together with supported services by Wallara. They will be funded on a recurrent basis commencing from 1 January 2001 with an allocation of $99 186. That is good news for people with lower support needs who are in critical circumstances, usually due to the death of their caregivers.

The honourable member for Mooroolbark raised a matter relating to the 1.5 per cent productivity savings, which are calculated on the 20 per cent administration component of disability services funding — which, as she rightly points out, is 0.3 per cent of that total funding cheque. I am familiar with Melba Support Services. I was in the eastern region with the honourable member for Mooroolbark at the opening of a couple of Melba's outstanding accommodation sites. The people there presented a case to me saying that they want that matter reassessed next year. The government will be making its decision on productivity savings in the context of the budget to be delivered in 2002.

All our budget funding is based on the needs of people with disabilities and the importance of having an efficient disability division and an efficient non-government service sector. The government has invested $141.5 million more into our disability division service system — a 25 per cent increase in just two budgets. As I said, any budget variation will be in the context of our next budget.

I will take up the matters raised by the honourable members for Monbulk and Mordialloc with the Premier.

The honourable member for Murray Valley raised a matter for the attention of the Minister for the Arts. In doing so he acknowledged our government-approved funding for the Victorian Concert Orchestra. I will bring that matter to the attention of the minister.

The honourable member for Prahran raised a matter for the attention of the Minister for Local Government. As the honourable member is not in the house to hear the reply, no doubt the minister will provide a written response to her.

The attention of the Minister for Transport has been drawn to two issues, one from the honourable member for Preston and the other from the honourable member for Frankston. Those matters, regarding the installation of pedestrian lights in Spring Street, Reservoir, and a request for action on the corner of Robinsons Road and the Moorooduc Highway, will be brought to the minister's attention.

The DEPUTY SPEAKER — Order! The house stands adjourned until next day.

House adjourned 10.41 p.m.